



## CMS delays review of “two-midnight” rule until after September 30, 2014

February 4, 2014

The Centers for Medicare and Medicaid Services (CMS) announced on January 31, 2014 that it will extend the Inpatient Hospital Prepayment Review, also known as the “Probe and Educate” review process, for an additional 6 months (through September 30, 2014) This means that the Recovery Auditors and other Medicare review contractors will not conduct post-payment patient status reviews of inpatient hospital claims with dates of admission on or after October 1, 2013, through October 1, 2014.” However, during this period, Medicare Administrative Contractors (MACs) will continue to review inpatient claims for stays spanning less than two midnights with dates of admission between March 31, 2014, and September 30, 2014 and deny claims that are not in compliance with the “two-midnight” rule. In addition, based on the results of these reviews, MACs will conduct educational outreach efforts and repeat the process as necessary through September 30, 2014.

This latest delay comes after hospitals from the Banner Health (AZ), Einstein Healthcare Network (PA), Wake Forest University Baptist Medical Center (NC), and The Mount Sinai Hospital (NY) health systems, with the support of the American Hospital Association, filed appeals with the Provider Reimbursement Review Board (PRRB) asking the PRRB to grant expedited judicial review for the hospitals’ claims that the rule’s 0.2% payment cut for Fiscal Year 2014 inpatient prospective payment system hospitals is unlawful. See one of the requests for expedited judicial review that was filed with the PRRB [here](#).

We know that implementing the two midnight rule has been a challenge for many of our clients. Bricker & Eckler will continue to report important developments on the two midnight rule as warranted.



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