



CMS issues proposed rule to eliminate the requirement for physician certification of most hospital inpatient stays

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On July 3, 2014, the Centers for Medicare & Medicaid Services (CMS) issued a proposed rule that would update Medicare payment policies and rates for hospital outpatient department and ambulatory surgery centers (ASC) services. Tucked within the outpatient/ASC proposed rule is a proposal to revise the requirement for physician certification of hospital inpatient services that has caused much angst and difficulty for hospitals.

As we have reported in [prior client bulletins](#) regarding the Medicare Two-Midnight Rule, CMS currently requires a physician certification, including an admission order and certain additional elements, as a condition of Medicare payment for all inpatient admissions.

Under the proposed rule, CMS proposes to eliminate the formal requirement for physician certification of inpatient admission for most admissions. While the admission order would continue to be required as a condition of payment for all admissions, under the proposed rule the physician certification would only be required for outlier cases and long-stay cases of 20 days or more for which "evidence of additional review and documentation by a treating physician beyond the admission order is necessary to substantiate the continued medical necessity of long or costly inpatient stays."

In proposing to eliminate the physician requirement for shorter, non-outlier inpatient stays, CMS noted that "in the majority of cases, the additional benefits (for example, as a program safeguard) of formally requiring a physician certification may not outweigh the associated administrative requirements placed on hospitals." CMS also noted that "in most cases, the admission order, medical record, and progress notes will contain sufficient information to support the medical necessity of an inpatient admission without a separate requirement of an additional, formal, physician certification."

We will continue to provide updates on this CMS rule as warranted.

The deadline to submit comments on the proposed rule is no later than 5:00 p.m. on September 2, 2014. For more information, please see [Fact sheets: CMS proposes hospital outpatient and ambulatory surgical centers policy and payment changes for 2015](#) on the CMS website. The proposed rule was published in the July 14, 2014, *Federal Register*.

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