

**Bulletin #09-2011**

**TO:** Participating hospitals in New Jersey

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**DATE:** August 31, 2011

**SUBJECT:** Inpatient Hospital Readmission Policy FAQ

Effective September 1, 2011, Claim Payment Policy #00.01.47: *Inpatient Hospital Readmission* is being applied to all admissions that are paid on a per-case or per-admission basis. In response to network feedback, attached please find a Frequently Asked Questions (FAQ) document.

To view this policy in its entirety, visit [www.amerihealth.com/medpolicy](http://www.amerihealth.com/medpolicy) and enter the policy number in the Search box. If you have additional questions regarding this new policy, contact your Hospital/Ancillary Services Coordinator.

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**We encourage you to share this information with appropriate members of your staff.**

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## **Inpatient Hospital Readmission FAQ**

This collection of frequently asked questions (FAQ) was developed to answer questions about Claim Payment Policy #00.01.47: *Inpatient Hospital Readmission*.

### **Q. What is the intent of the policy?**

**A.** The intent is to eliminate the payment of multiple case rates for a single clinical event. The policy is neither based on, nor intended to address, medical necessity, patient compliance, or physician/hospital compliance. For purposes of payment (when the policy criteria are met), AmeriHealth will treat both inpatient hospital admissions as a single clinical event and retract the lesser of the two payments.

### **Q. Which hospitals are affected?**

**A.** Hospitals or a hospital within the same Health System paid per-case or per-admission for inpatient stays. The policy does not apply to inpatient stays paid on a per diem basis.

### **Q. How are the readmission days calculated?**

**A.** Readmission days include the day of discharge and the following three calendar days. For example, if the patient is discharged on Monday and readmitted Monday, Tuesday, Wednesday, or Thursday, then the policy applies. But if the patient is discharged on Monday and readmitted on Friday (or any day thereafter), then the policy does not apply.

### **Q. Does the policy apply to transfers?**

**A.** No, transfers are not considered readmissions.

### **Q. Does the policy affect physician claims?**

**A.** No.

### **Q. Will the policy be applied if the patient is non-compliant or leaves against medical advice?**

**A.** Yes. The policy addresses payment and not coverage for services under the terms of a member's health plan. The readmission of a patient who left against medical advice and for a condition directly related to the original admission would be considered part of the same clinical event.

## **Inpatient Hospital Readmission FAQ (continued)**

### **Q. Which criteria will be used to determine if the admission and readmission are directly related?**

**A.** The audit criteria that will be used to identify potential claims for additional review includes, but is not limited to, the following:

- readmission with the same Major Diagnostic Category as the previous inpatient admission;
- readmission with a post-operative infection or complication diagnosis.

In addition, AmeriHealth shall review other clinical information (e.g., authorization information, medical records) to determine if the *Inpatient Hospital Readmission* policy is applicable.

### **Q. How will the policy be applied (e.g., denied claim, retracted)?**

**A.** The policy will be enforced through a retrospective claim audit.

### **Q. If a claim is retracted, is the patient liable for copayment, deductible, or coinsurance amounts associated with the retracted claim?**

**A.** No. For purposes of payment (when the policy criteria are met), AmeriHealth will treat both inpatient hospital admissions as a single clinical event and retract the lesser of the two payments. The copayment, deductible, or coinsurance amounts for which the member is responsible should only apply to the claim that is not retracted.

### **Q. Will the hospital have the opportunity to appeal?**

**A.** Yes. As set forth in the *Hospital Manual for Participating Hospitals, Ancillary Facilities, and Ancillary Providers*, the standard facility provider audit two-level review process will be available for dispute resolution. Notice will be given prior to any retrospective payment retraction.

### **Q. Will the hospital be compensated if the combined admission qualifies for outlier payment?**

**A.** In the event the combined claim would trigger an outlier payment, the allowed amount for the paid admission will include any applicable outlier payment.