SPECIAL ISSUE - September 2013 Capella Healthcare

Clinical CONNECTIONS

INFORMATION ON MEDICAL TRENDS THAT DIRECTLY IMPACT YOU AND YOUR PRACTICE

Inpatient Prospective Payment System (IPPS) Changes on October 1

All Admissions Processes Are Impacted

The 2014 IPPS final ruling released by Centers for Medicare and Medicaid Services on August 2 contains provisions that will impact daily hospital operations relative to Part A Inpatient Admissions and Part B Inpatient Rebilling. The effective date is October 1.

A task force including Chief Medical Officer Erik Swensson, MD, has been working with hospitals to provide resources to assist in implementing the new rules. Education is being provided to relevant hospital staff members, including Nursing, HIM and Case Management. Here is a brief listing of the major tasks that each hospital is accomplishing in September.

- Update Admissions Policy following Medical Executive Committee approval
- Educate physicians during called Medical Staff meeting and other forums
- Have each physician sign official Physician Acknowledgement Statement
- Train Nursing, HIM and Case Management key staff

Failure to comply with these new requirements may result in an inability to be paid for services rendered. Below is an overview of the changes.

Overview of IPPS Changes

Effective 10/1/2013

__Part A Inpatient Admissions__

Inpatient admission decisions by physicians will be impacted since medical necessity for inpatient admission is now governed by the two-midnight benchmark.

> *The 2-midnight benchmark states that if the physician admits a Medicare beneficiary as an inpatient, with the expectation that the beneficiary will require care that "crosses 2 midnights," Medicare Part A payment is "generally appropriate."*

Further, the two-midnight presumption provides guidance to external auditors when reviewing the appropriateness of an inpatient admission. Generally auditors will presume the inpatient admission is warranted if care

CMS Finalizes Rules for Inpatient Admissions

By Erik Swensson, MD, FACS
SVP, Chief Medical Officer

In this abbreviated issue of *Clinical Connections*, you will find an overview of the final CMS Rulings concerning "inpatient status" and what we as physicians are being required to do by the government in order for the hospital to get paid. These final rulings were just made public in August and will go into effect October 1, 2013. A group of us at Capella have been working together to formulate resources to be of assistance to you and others who care for patients at your hospital. Successfully implementing these rule changes by October 1 is essential. If you are a formal leader on your medical staff you have most likely already been notified of the changes and are

crosses two midnights. Hospitals will forfeit the presumption of evidence of "prolonging the provision of care to surpass the two-midnight timeframe."

Admission Order

The admission order is required for all hospital inpatient services. The admission order must be:

> *"…furnished by a qualified, licensed practitioner, who has admitting privileges at the hospital as permitted by State law, and is knowledgeable about the patient's hospital course, medical plan of care and current condition."*

Previously allowed language such as "admit to med surg," "admit to the service of Dr. Jones," or admit to 3 west" is no longer allowed for inpatient admission. Admission orders intended for inpatient status must read "admit to inpatient."

Physician Certification

In addition to the admission order, the physician certification must be included in every medical record for patients admitted to an inpatient status on or after October 1, 2013. The certification must be completed prior to discharge by a physician who is knowledgeable about the patient's hospital course, medical plan of care and current condition.

Specific elements required in the certification are listed below.

Certification (§424.13)

- Begins with the order for inpatient admission
- Must include the reasons for hospitalization for inpatient medical treatment
- Must include diagnosis
- Must include the estimated time the patient will need to remain in the hospital
- Includes plans for post hospital care, if appropriate
- May be entered on forms, notes, or records that the appropriate individual signs, or on a special separate form
- If information is in different places - i.e. progress notes, H+P - (certification) statement should indicate where it may be found
- Must include services were provided in accordance with §412.3 of this chapter
- Certification must be signed and documented in the medical record prior to the hospital discharge (if delayed – reason must be documented)

working with your administrative team to find the best way to get the job done.

Please read the overview here and then discuss with others on your hospital's medical staff. Be sure to attend any meetings planned so that you'll have the chance to provide input and ask any questions to the appropriate staff. Because much of the change revolves around admission orders, there will need to be changes made in some of your hospital's order forms as well as admitting processes. I appreciate everyone's time working on these new rules.

In addition to these new rules impacting inpatient admissions, CMS has also published proposed rules changes for the outpatient and office setting, but they are not yet finalized. Since the mid 1980s, when the government decided to become more actively involved in how money is spent in healthcare, there have been many rules changes on a regular basis and I do not see any slowing of this 30-year trend.

Thank you for your continued support and patience with the numerous new processes, systems and rules changes that are a necessary, though not as rewarding, part of our professions.

Clinical Connections is published quarterly for physicians affiliated with the Capella Healthcare family of hospitals. Physicians who want to contact Chief Medical Officer Erik Swensson, MD, may email him directly at Erik.Swensson@CapellaHealth.com. For more information, visit the "For Physicians" section of Capella's website at www.CapellaHealthcare.com.