

# Inpatient Acute Medical Admissions

## Policy

Harvard Pilgrim reimburses inpatient acute medical admissions when services are rendered in a Harvard Pilgrim–contracted facility, subject to applicable referral, authorization and notification requirements.

## Policy Definition

*Inpatient Acute Medical Admissions* include items and services furnished to an inpatient, including room and board, nursing care and related services, diagnostic and therapeutic services and medical and surgical services.

## Prerequisite(s)

Applicable Harvard Pilgrim referral, notification and authorization policies and procedures apply. Refer to [Referral, Notification and Authorization](#) for more information.

## HMO/POS/PPO

- Notification is required for inpatient admissions, excluding obstetrical admissions. For transfers, each facility must notify Harvard Pilgrim of the transfer. Refer to [Emergent/Urgent Admission Notification](#) and [Elective Admission Notification](#) for specific requirements.
- Prior authorization is required for some surgical procedures, refer to the [Prior Authorization Policy](#).

## Open Access HMO and POS

For [Open Access HMO and Open Access POS](#) products, no referral is required to see a contracted specialist.

## Harvard Pilgrim Reimburses<sup>1</sup>

### HMO/POS/PPO

Harvard Pilgrim reimburses inpatient acute medical admissions at a single all-inclusive rate as determined by the contracted rate for inpatient services and when notified within appropriate timeframes.

Reimbursement includes but is not limited to:

- Ancillary services
- Anesthesia care
- Appliances and equipment
- Diagnostic services
- Medication and supplies
- Nursing care
- Radiology
- Recovery room services
- Semi-private room (or private room, if necessary)
- Surgical procedures
- Therapeutic items (drugs and biologicals)

## Applying Contracted Rates

The admission date determines all inpatient reimbursement terms. When an admission bridges contracted effective dates, the contracted rate on the date of admission applies to the entire inpatient stay.

Determination of inpatient status occurs at the date and time the admitting physician writes the order to admit the member to inpatient status and when the member's clinical status meets Harvard Pilgrim's criteria for inpatient care. Medical records are reviewed for appropriate documentation of services rendered and accuracy of coding.

## General Inpatient Hospice Care (Non-Respite)

Harvard Pilgrim will reimburse only the hospice agency for the provision of hospice care. The contracted hospice agency is responsible for reimbursing the inpatient facility for the provision of general inpatient hospice care. Harvard Pilgrim will reimburse the inpatient facility for an appropriately notified inpatient admission when it is unrelated to the terminal illness.

**Per Diem****Pre-Admission** (may be subject to random post-payment audits and retraction)

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All services related to the principle diagnosis that are provided within one day of an inpatient admission are included in the inpatient per diem reimbursement.

**Re-Admission**

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Separate reimbursement will be made for members who are re-admitted for inpatient services after initial discharge.

**Member Enrollment and Termination**

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- When an inpatient admission occurs prior to a member's effective date, Harvard Pilgrim begins reimbursement from the member's effective date if the hospital notifies Harvard Pilgrim of the admission.
- If a member terminates Harvard Pilgrim membership while receiving inpatient services, reimbursement will be paid at the per diem rate up to and including the termination date.

**Diagnosis-Related Groups (DRG)****Pre-Admission** (may be subject to random post-payment audits and retraction)

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- Diagnostic services that are provided within three days of an inpatient admission are included in the inpatient reimbursement.
- Non-diagnostic services, related to the principal diagnosis, that are provided within three days of an inpatient admission are included in the inpatient reimbursement.
- Any ambulatory day care, radiology or laboratory procedures that result in an inpatient admission are included in the inpatient DRG reimbursement.

**Re-Admission**

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Members who are readmitted to the same hospital within 30 days of the original inpatient discharge for the same or related condition for which they were treated during the original admission may be reviewed. If it is determined that the member is being treated for the same or a related condition as the original admission, the readmission will be retracted.

**Other Reimbursement**

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- If a member leaves against medical advice or expires, DRG reimbursement will be paid in full.
- Claims grouping to a DRG description of Principal Diagnosis Invalid as discharge diagnosis or a description of Ungroupable will be denied. Claims must be resubmitted with corrected data.

**Member Enrollment and Termination**

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- Harvard Pilgrim will pro-rate DRG payments when an inpatient admission occurs prior to a member's effective date, or if a member terminates Harvard Pilgrim membership while receiving inpatient services. Harvard Pilgrim will only reimburse the covered days based on member eligibility.
- Harvard Pilgrim will prorate DRG payments based upon the member's eligible days as a portion of the complete inpatient admission.

**Global Case Rate****Pre-Admission** (may be subject to random post payment audits and retraction)

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- Diagnostic services that are provided within three days of an inpatient admission are included in the inpatient reimbursement.
- Non-diagnostic services, related to the principal diagnosis, that are provided within three days of an inpatient admission are included in the inpatient reimbursement.
- Any ambulatory day care, radiology or laboratory procedures that result in an inpatient admission will be included in the inpatient global case rate reimbursement.

**Re-Admission**

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Members who are readmitted to the same hospital within 30 days of the original inpatient discharge for the same or related condition for which they were treated during the original admission may be reviewed. If it is determined that the member is being treated for the same or a related condition as the original admission, the readmission will be retracted.

**Member Enrollment and Termination**

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- When an inpatient admission occurs prior to a member's effective date, or if a member terminates Harvard Pilgrim membership while receiving inpatient services. Harvard Pilgrim will only reimburse the covered days based on member eligibility.
- Harvard Pilgrim will prorate case rate payments based on the Member's eligible days as a portion of the complete inpatient admission.
- For DRG and global case rate reimbursement methodologies, Harvard Pilgrim requires an adjustment bill for claims associated with the revision of a DRG due to changes or errors occurring in diagnoses and procedure coding.

**Inpatient Transfer Between Hospitals****Hospitals with DRG Rates**

Payment to the acute care hospital that transferred the patient will be reimbursed based on a calculated per diem rate.

**CMS Grouper (MS DRG)**

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For hospitals contracted with the CMS Grouper, the calculated per diem is determined by dividing the geometric mean length of stay (GMLOS) into the specific DRG rate of the case.

**All Patient Refined DRG (APR-DRG) Grouper**

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For hospitals contracted with the All Patient Refined DRG Grouper, the calculated per diem is determined by dividing the average length of stay (ALOS) into the specified DRG rate of the case.

**Transfer Reimbursement**

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The calculation for reimbursement is two times the calculated per diem for the first day of admission and the calculated per diem for all subsequent days; excluding the day of discharge; if this sum of the calculated per diem rate is greater than or equal to the hospital-specific DRG rate, then the hospital-specific DRG rate is the reimbursement rate.

Hospitals that treat and release patients from the emergency room (i.e., no inpatient admission) do not receive a per diem and are paid for the emergency room services only. The CMS DRG and APR DRG Groupers both have particular DRG(s) that are by definition transfers and always pay the full DRG. The receiving hospital is reimbursed for the full DRG amount when the patient is discharged. The final discharging hospital will receive the full DRG amount.

**Hospitals Excluded from DRG**

Payment to hospitals with non-DRG payment terms are paid in accordance with their respective contracted rates.

**Harvard Pilgrim Does *Not* Reimburse****HMO/POS/PPO**

- Charges for personal services (e.g., telephones, televisions and guest trays, etc.)
- Custodial care
- Blood and blood products
- Charges for any care that is not a covered service

- Freestanding facility imaging services for inpatient members (Imaging services are included in the admitting hospital's inpatient rate. Outpatient imaging services provided to an inpatient member should be billed to the admitting hospital.)
- All charges over the semi-private room rate, except when a private room is medically necessary
- Charges incurred after hospital discharge or when care is no longer at the inpatient care level (e.g., surgical follow up visit)
- Charges incurred after the date on which membership ends or prior to membership effective date
- Charges for unauthorized surgical procedures, (if authorization is required), except in a serious medical emergency
- Non-emergent ambulance services provided to a member during an inpatient/outpatient admission. Non-emergent ambulance services are included as part of the facility reimbursement rate and should be billed to the facility.

### Member Cost-Sharing

Subject to applicable member out-of-pocket cost (e.g., copayment, coinsurance, deductible).

### Provider Billing Guidelines and Documentation

#### Pre-Admission Services

- For per diem-contracted hospitals, pre-admission services that occur within one day of the admission should be submitted with the inpatient bill.
- For DRG and global case rate contracted hospitals, pre-admission services that occur within three days of an admission should be submitted with the inpatient bill.

#### Interim Bills

Do not submit interim bills associated with inpatient services provided in an acute hospital setting.

#### Medical Record Documentation and Physician Queries

Harvard Pilgrim will not accept retrospectively amended medical records or physician queries beyond 30 days from the service date. Harvard Pilgrim considers medical record documentation and/or physician queries upon review as the official record to support services provided for the basis of coverage or reimbursement determination. Clinical documentation or physician queries amended over 30 days from the service will not be accepted to defend reimbursement, increase reimbursement, or consideration of a previously denied claim.

#### Other Information

Enter the Harvard Pilgrim authorization number in Form Locator 63 of the paper UB-04 or loop 2300, REF segment with G1 qualifier in REF01 and Harvard Pilgrim authorization number in REF02 of the electronic 837I.

To identify the claim as a Transfer to Another Facility with the discharge status code of 02 or 05 in Form Locator 17 of paper UB04 or loop 2300, segment CL1, data element CL103 of electronic 837I.

### Related Policies

#### Payment Policies

- Observation Stay
- Obstetrical/Maternity Care
- Rehabilitation Facilities/Long-Term Acute Care Hospitals
- Services Incidental to Admission
- Skilled Nursing Facility (SNF)
- Transplant

#### PUBLICATION HISTORY

11/01/01 original documentation

PAYMENT POLICIES
 

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07/01/03	minor edits
10/01/03	annual review; changes to pre-admission and re-admission reimbursement; added inpatient surgery information formerly found in Inpatient Surgery Payment Policy
07/01/04	added reimbursement of outpatient freestanding imaging services for inpatient members
10/31/04	annual review
04/30/05	general inpatient hospice billing
01/31/06	modified section on applying contracted rates
08/01/06	removed 50/50 policy information
10/31/07	annual review; added pro-rate DRG reimbursement information related to member enrollment and termination.
01/31/08	removed billing guideline for admission prior to member's effective date
07/31/08	annual review; added Medical Record Documentation information and related policies; added Acute Medical Admissions to policy name; other minor edits for clarity
07/15/09	annual review; no changes
05/15/10	annual review; minor edits for clarity; added Blood Products and Services to related policies
04/15/11	annual review; minor edits for clarity
01/01/12	removed First Seniority Freedom information from header
06/15/14	added <i>Connecticut Open Access HMO</i> referral information to Prerequisites
08/15/14	annual review; added additional charges information to Does Not Reimburse; clarified language for length of stay and proration DRG methodology; administrative edits for clarity
06/15/15	added language indicating claims will be grouped using the ICD-10 CMS grouper based on date of diPcharge
09/15/16	annual review; updated EDI billing specifications
09/15/17	annual review; effective 11/15/17 Harvard Pilgrim is extending the readmission timeframe from 7 days to 30 days; added Ambulance Transport Payment Policy and Medical Transportation to Related Policies
11/15/17	clarified that readmissions apply to same hospital
01/01/18	updated Open Access Product referral information under Prerequisites
04/01/18	administrative edits
05/01/18	updated Re-Admission information; administrative edits
09/04/18	annual review; no changes
10/01/19	annual review; added statement regarding ambulance services
10/01/20	annual review; administrative edits
10/01/21	annual review; added inpatient transfer between hospitals

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<sup>1</sup>This policy applies to the products of Harvard Pilgrim Health Care and its affiliates—Harvard Pilgrim Health Care of Connecticut, Harvard Pilgrim Health Care of New England, and HPHC Insurance Company—for services performed by contracted providers. Payment is based on member benefits and eligibility, medical necessity review, where applicable, and provider contractual agreement. Payment for covered services rendered by contracted providers will be reimbursed at the lesser of charges or the contracted rate. (Does not apply to inpatient per diem, DRG, or case rates.) HPHC reserves the right to amend a payment policy at its discretion. CPT and HCPCS codes are updated annually. Always use the most recent CPT and HCPCS coding guidelines.