Readmission Payment Policy

Payment Policy: 30-Day Readmissions

This payment policy provides guidance regarding reimbursement and is not intended to address every situation. In instances that are not addressed by this policy, by another policy, or by contract, Molina Healthcare retains the right to use discretion in interpreting this policy and applying it (or not applying it) to the reimbursement of services provided. The provider is responsible for submitting complete, accurate, and timely claims and medical records for payment consideration.

POLICY

This policy applies to Medicaid, Marketplace and MyCare Ohio Medicare-Medicaid Lines of Business

Definition: A preventable readmission (PR) is an inpatient admission that follows a prior discharge from a hospital within 30 days that is deemed clinically related and clinically preventable to the initial admission.

Upon receipt of an inpatient authorization request, Molina's clinical staff will review for both a medical necessity determination and for identification of a readmission which may be potentially preventable during a 30-day look-back period (Discharge Date to Admit Date). At the point of an inpatient authorization determination for medical necessity, if it is identified as a potentially preventable readmission, a notification will be sent to the provider via fax indicating that the stay was identified as a potentially preventable readmission. Missing records, such as discharge summary or discharge instructions, from the Anchor Admission(s) which may influence the review will be requested at this time. This notification will be sent to the provider with the communication of the medical necessity determination.

A Molina medical director reviews the clinical information associated with an identified potentially preventable readmission to identify avoidable and unnecessary care which will deem the readmission as clinically preventable and therefore a PR. This emphasis on preventable events gives focus on areas of opportunity that will have the greatest impact on improved patient care while decreasing unnecessary readmits.

The following criteria is utilized in the determination of a PR:

1) A readmission is a return hospitalization within 30 days of a prior discharge that meets the following criteria:
    a) The readmission is preventable by the provision of appropriate care consistent with accepted care standards related to the prior discharge, or during the post-discharge follow-up period.
    b) The readmission is for a condition or procedure that is clinically related to the care provided during the prior hospitalization or resulting from incomplete discharge planning.

c) The PR sequence may contain one or more readmissions that are clinically related to the initial admission. If two or more readmissions occur within 30 days after the discharge from the Anchor Admission and are clinically related to the Anchor Admission.
d) The readmission is to the same hospital.

EXCLUSIONS

Molina's process excludes the following services from readmission review:

- Transfers from out-of-network to in-network facilities;
- Transfers of patients to receive care not available at the first facility or unit;
- Readmissions that are planned for repetitive or staged treatments (i.e., cancer chemotherapy or surgical procedures);
- Readmissions associated with malignancies, burns, cystic fibrosis, HIV, behavioral health or major trauma;
- Admissions to Skilled Nursing Facilities, Long Term Acute Care Facilities and Inpatient Rehabilitation Facilities (SNF, LTAC, and IRF);
- Readmissions where the Anchor Admission had a discharge status "left against medical advice" (The claim submission must include this status (AMA) for processing);
- Obstetrical readmissions;
- Transplant-related readmissions;
- Infants less than 12 months of age on the date of service;
- Readmissions ≥ 31 days from the date of discharge from the Anchor Admission.

CLAIM PROCESSING

Molina will review a claim at the time of receipt to determine if it meets the PR criteria set forth in this document.

If a claim meets criteria for a PR, it will be denied, and the provider will receive an explanation of payment stating that the claim was identified to be a readmission. The provider may follow the claim reconsideration process to provide the additional supporting clinical documentation for the Anchor Admission and Readmission(s) which should include the Anchor Admission treatment and discharge plan. Claim dispute timelines will apply. Otherwise the hospital will submit a collapsed claim as described below.

Upon receipt of a claim reconsideration, a different Molina medical director will review the clinical information provided to determine if the Readmission was inappropriate, unnecessary, or preventable based on the above policy guidelines. Written notification of such determination will be sent to the hospital.

If a Readmission is determined to be within PR criteria, the claim for the Readmission will be denied. The Anchor and PR(s) are required to be collapsed into one claim by the hospital. The hospital will submit a collapsed claim for the Anchor Admission and PR(s), using the first admission date from the Anchor Admission, and the last date of discharge from the latest PR. Any days between the Anchor Admission and Readmission(s) will be submitted as non-covered days. Please note: If hospital submits the Anchor Claim for payment and subsequently submits a collapsed claim, the hospital must follow Molina's Corrected Claims policy as outlined in the Provider Manual.

If a provider fails to obtain prior authorization or subsequent Readmission(s) are not approved based upon medical necessity, the provider should not collapse the Readmission(s) into the claim for the Anchor Admission. If the provider incorrectly submits a collapsed claim, the claim will be denied as precertification/authorization exceeded.

If the Anchor Claim was denied, or processed as an outpatient service or observation, then the second admission will no longer be considered a Readmission and will be processed based on medical necessity and standard processing guidelines.

DEFINITIONS

Clinically Related – An underlying reason for a subsequent admission that is plausibly related to the care rendered during or immediately following a prior hospital admission. A clinically related readmission may have resulted from the process of care and treatment during the prior admission (e.g., readmission for a surgical wound infection) or from a lack of post admission follow-up (e.g., lack of follow-up arrangements with a primary care physician) rather than from unrelated events that occurred after the prior admission (e.g., broken leg due to trauma) within a specified readmission time interval.

Anchor Claim or Anchor Admission – The first inpatient admission and the related claim for services at an acute, general or short-term hospital and for which the date of discharge for such admission is used to determine whether a subsequent admission at that same hospital occurs within 30 days.

Potentially Preventable Readmission (PPR) – A potentially preventable readmission is a readmission (re-hospitalization within a specified time interval) that is identified through a process including review by Molina staff and the use of the 3M™ Health Information System Division PPR Measure based on the Ohio Department of Medicaid's customization, when applicable.

Preventable Readmission (PR) – A preventable readmission (PR) is an inpatient admission that follows a prior discharge from a hospital within 30 days that is deemed clinically related and clinically preventable to the initial admission.

Readmission – An admission to a hospital occurring within 30 days of the date of discharge from the same hospital. Intervening admissions to non-acute care facilities (e.g., a skilled

nursing facility) are not considered readmissions and do not affect the designation of an admission as a readmission.

REFERENCES

Patient Protection and Affordable Care Act Pub. L. No, 111-148 § 3025(a), 124 Stat. 119, 408 (2010). The Affordable Care Act, Section 3025, § 1886(q)

42 CFR 412.150 through 412.154 include the rules for determining the payment adjustment under the Hospital Readmission Reductions Program for applicable hospitals to account for excess readmissions in the hospital

Federal Register, Vol. 79, No. 163, August 22, 2014, pages 50024 – 50048. Available at: https://www.federalregister.gov/documents/2014/08/22/2014-18545/medicare-program-hospital-inpatient-prospective-payment-systems-for-acute-care-hospitals-and-the

Ohio Administrative Code (OAC) Rule 5160-2-14 available at http://codes.ohio.gov/oac/

DOCUMENT REVISION HISTORY

Date		Action
Effective Date	July 1, 2016	Added: Readmission Policy to Combined Provider Manual
Revised Date	June 1, 2017	Updated: Created Readmission Payment Policy based on language in Combined Provider Manual
Revised Date	Sept. 1, 2017	Updated: Added Potentially Preventable Readmission to the Readmission Payment Policy
Revised Date	March 1, 2019	Updated: Clarified provider reconsideration process
Revised Date	July 1, 2020	Added Marketplace line of business, streamlined language in policy for ease of use
Revised Date	Jan. 1, 2021	Updated: Added exclusion of HIV, behavioral health and major trauma. Updated claims process to collapse billing of Preventable Readmission into Anchor Admission.