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. To determine whether a patient's readmission was preventable, multiple factors are taken into consideration, including, but not limited to premature discharge due to clinical instability, inadequate medication management and discharge planning.

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:
    a Emerging Symptoms
    b Chronic Disease
    c Failed discharge to another facility
b) 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.
c) The readmission is to the same hospital.

** **Readmissions within 1 calendar day:** Molina will combine a readmission within 1 calendar day of discharge to the initial authorization.

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 (If discharge status is "transfer," the transferring facility/stay is not considered an anchor admission.)
- Readmission to other facilities.
- Readmissions to another hospital from within the same hospital system.
- Readmissions that are planned for repetitive or staged treatments (i.e., cancer chemotherapy or surgical procedures).
- Readmissions associated with major or metastatic malignancies, opportunistic infections related to HIV, major trauma, or poisoning.
- Obstetrical readmissions (OB related conditions only).
- Transplant and associated complications.
- Infants less than 12 months of age on the date of service.
- Against Medical Advice (AMA) / Patient non-compliance: Facilities will not be held accountable when noncompliance is clearly documented in the medical record including all of the following:
    - There is adequate documentation that the treatment plan was appropriately communicated to the patient.
    - There is adequate documentation that the patient/caretaker is mentally competent and capable of following the instructions and made an informed decision not to follow them.
    - There were no financial or other barriers to following instructions.
        - The Medical Records should document reasonable efforts by the facility to address placement and access-to-treatment difficulties due to financial

constraints or social issues, including consultation with social services, use of community resources, and frank discussions of risks and alternatives

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 noncovered 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-programhospital-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.
Revised Date	July 1, 2022	Updated: Streamlined language, added an exception for poisoning, and removed exclusion for Behavioral Health. Added BH Readmission Payment Policy on the following pages.

Payment Policy: 30-Day Readmissions – Behavioral Health

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.

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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. To determine whether a patient's readmission was preventable, multiple factors are taken into consideration, including, but not limited to: premature discharge due to clinical instability, inadequate medication management and discharge planning.

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:
    a Emerging Symptoms
    b Chronic Disease
    c Failed discharge to another facility
b) 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.
c) The readmission is to the same hospital.

** **Readmissions within 1 calendar day:** Molina will combine a readmission within 1 calendar day of discharge to the initial authorization.

EXCLUSIONS

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

- The original discharge was a patient-initiated discharge, was against medical advice (AMA), and the circumstances of such discharge and readmission are documented in the patient's medical record;
- Planned readmissions;
- Readmissions to other hospitals/facilities outside of the hospital system;
- Readmissions to another hospital from within the same hospital system;
- Transfers from out-of-network to in-network facilities;
- Transfers of patients to receive care not available at the first facility or unit
- Readmissions greater than 30 days from the date of discharge from the previous/initial admission;
- Readmissions for members are under the age of 21; and
- Readmissions when a patient has any of the following conditions related to cancer, transplants, HIV infection, pregnancy, and poisoning in addition to their behavioral health condition.

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 noncovered 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

Inpatient Hospital Behavior Health Admissions (per Ohio Department of Medicaid) – Psychiatric DRGs (Diagnosis Related Group)

- 740 Mental Illness Diagnosis W O.R. procedure
- 750 Schizophrenia
- 751 Major depressive disorders & other/unspecified psychoses
- 752 Disorders of personality & impulse control
- 753 Bipolar disorders
- 754 Depression except major depressive disorder
- 755 Adjustment disorders & neuroses except depressive diagnoses
- 756 Acute anxiety & delirium states
- 757 Organic mental health disturbances
- 758 Behavioral disorders
- 759 Eating
- 760 Other mental health disorders

(For psychiatric admissions, the DRG assigned to the claim is DRG 740, 750 to 760 due to the admitting international classification of diseases, 10th revision (ICD-10) diagnosis code is F0150-F99, G4700, G479, H9325, Q900-Q902, Q909-Q917, Q933-Q935, Q937, Q9388-Q9389, Q939, Q992, R37, R4181, R41840-R41841, R41843-R41844, R440, R442-R443, R450-R457, R4581- R4582, R45850-R45851, R4586-R4587, R4589, R4681, R4689, R480-R482, R488-R489, R54, Z72810-Z72811, Z87890 or Z91830.) o

Detoxification DRGs (principal diagnosis codes beginning with “F”-only) --

- 773 Opioid abuse & dependence
- 774 Cocaine abuse & dependence
- 775 Alcohol abuse & dependence
- 776 Other drug abuse & dependence

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.

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

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DOCUMENT REVISION HISTORY

Date		Action
Effective Date	August 1, 2022	Added: Behavioral Health Readmission Policy to Readmission Payment Policy