GUAM MEMORIAL HOSPITAL AUTHORITY
ADMINISTRATIVE MANUAL

APPROVED BY:	RESPONSIBILITY:	EFFECTIVE DATE:	POLICY NO.:	PAGE:
PeterJohn D. Camacho, M.P.H. Hospital Administrator/CEO	Hospital-wide	June 5, 2017	A-PC1000	1 of 6
TITLE: TWO MIDNIGHT RULE				
LAST REVIEWED/REVISED: 04/2017				
ENDORSED: URC 2017, MEC 02/2017, EMC 03/2017, Q&S 04/2017, BOT 06/2017				

PURPOSE:

The purpose of this policy is to provide guidelines and procedure for the two midnight rule to Guam Memorial Hospital Authority.

POLICY:

Guam Memorial Hospital Authority complies with the Centers for Medicare and Medicaid (CMS) rules and regulations. CMS adopted the Two-Midnight rules for admissions beginning on October 1, 2013. This rule established the Medicare payment policy regarding the benchmark criteria that should be used when determining whether inpatient admission is reasonable and payable under Medicare Part A.

DEFINITIONS:

I. OBSERVATION
(Medicare Benefit Policy Manual 20.6A: Rev. 215, Issued, 12-18-15, Effective, 01-01-16, Implementation: 01-04-16)

A. A well-defined set of specific, clinically appropriate services, which include ongoing short term treatment, assessment, and reassessment, that are furnished while decision is being made regarding whether patients will require further treatment as hospital inpatients or if they are able to be discharged from the hospital.

B. Observation services are commonly ordered for patients who present to the emergency department and who then require a significant period of treatment or monitoring in order to make a decision concerning their admission or discharge.

C. Observation services are covered only when provided by the order of a physician or another individual authorized by state licensure law and hospital staff bylaws to admit patients to the hospital or to order outpatient tests.

D. In the majority of cases, the decision whether to discharge a patient from the hospital following resolution of the reason for the observation care or to admit the patient as an inpatient can be made in less than 48 hours, usually in less than 24 hours. In only rare and exceptional cases do reasonable and necessary outpatient observation services span more than 48 hours.

II. INTERQUAL

A. Review criteria for admission, continued stay, level of care and appropriateness of care and discharge.

III. CMS INPATIENT LISTS

A. There will be cases where the physician had a reasonable expectation of a two midnight stay but there was an unforeseen circumstance that resulted in a shorter stay than the physician's reasonable expectation. As enumerated in the final rule, CMS anticipates that most of these situations will arise in the context of beneficiary death, transfer, or departure against medical advice.

1. Expected two-day stays will be paid as inpatient if less than 2 midnights for patients leaving Against Medical Advice, transfer, death or for any rare "unforeseen circumstances."

2. Such claims may be considered appropriate for hospital inpatient payment.

3. The physician's expectation and any unforeseen interruptions in care must be documented in the medical record.

B. If the beneficiary received a medically necessary service on the Inpatient-Only List and was able to be discharged before 2 midnights passed, those claims would be appropriately inpatient for Part A payment (see attachment)

C. The decision to admit should generally be based on the physician's reasonable expectation of a length of stay spanning 2 or more midnights, taking into account complex medical factors that must be documented in the medical record. Because this is based upon the physician's expectation, as opposed to a retroactive determination based on actual length of stay, unforeseen circumstances that result in a shorter stay than the physician's reasonable expectation may still result in a hospitalization that is appropriately considered inpatient.

D. If a physician cannot document that a 2-midnight stay is expected, then admit the patient to observation status.

1. If the patient cannot be safely discharged for medical reasons after one midnight, then admit patient from observation to inpatient level of care.

2. The physician will write the order for the changes from observation to inpatient or inpatient to observation and provide justification in the changes of status.

E. The qualifying three-day inpatient stay requirement for SNFs remains in effect

1. Qualifying stay for SNF Part A coverage: Time spent in the hospital receiving outpatient services (e.g., observation) counts towards the Two-Midnight Benchmarks for admission purposes, but does not count towards the required 3-day inpatient stay for SNF coverage.

IV. CONDITION CODE 44 (CC44)

A. Condition Code 44--Inpatient admission changed to outpatient – For use on outpatient claims only, when the physician ordered inpatient services, but upon internal review

performed before the claim was initially submitted, the hospital determined the services did not meet its inpatient criteria.

V. CERTIFICATION

A. Refer to any documentation that may be inferred from the physician's standard medical documentation, such as his/her plan of care, treatment orders, and physician's notes.

RESPONSIBILITIES:

I. MEDICAL STAFF

A. The admitting physician is responsible to write the admission orders for observation, reason(s), and certification if intending to utilize the two midnight observation.

B. The on-call/primary physician who is taking care of the patient is responsible for changing the admission status of the patient when contacted by the Nurses, Patient Registration, or Utilization Review Specialist.

C. Medical staff is expected to be courteous to the GMHA staff contacting them on behalf of GMHA. If he/she does not agreed with assessment of UR team for any reason, then he/she is expected to document the reasoning in the medical record.

II. NURSES

A. Nurses may notify Attending Physician to change patient admission from inpatient to observation prior to discharge if the patient meets the two midnight rule.

B. Nurses may receive a telephone order from the physician who is taking care of the patient to change the admission status of the patient.

III. WARD CLERKS

A. In the event that attending doctor fails to notify the Nurse/s responsible for his/her patient and decide to discharge his/her patient within two midnight, the ward clerk is tasked to call the attending doctor via the operator.

1. Ward clerks are not authorized to receive telephone orders.

2. They may ask the nurses responsible for the patient to receive the telephone order for the change of admission status.

B. They may also help in relaying the change of admission status to patient registration if the Nurses fail to do so.

IV. PATIENT REGISTRATION

A. Provides notification of patients' admission on regular working hours, after working hours, weekend, and holidays through a registration form (face sheet), to Quality Management Department. They will help in monitoring expiring observation services.

B. Help in monitoring patient who are admitted as observation and are nearing the two midnight (4 hours prior to the second midnight), may call the ward where patient is admitted and ask for directives if patient will be discharge prior to the second midnight or will be admitted as inpatient.

V. HOSPITAL UTILIZATION REVIEW SPECIALISTS

A. It is the responsibility of the Hospital Utilization Review Specialists to ensure implementation of the two midnight rule.

B. Assure optimal quality of care and appropriate reimbursement while meeting all regulatory agency requirements.

C. Through Monday to Friday, on regular working hours (except holidays), The Utilization Reviewer specialist will evaluate the admission/discharge data provided by the Patient Registration Department and will be responsible for contacting the admitting or on-call physician to change the status of admission according to the two midnight rule prior to patient discharge.

VI. MEDICAL DIRECTOR OR DESIGNEE OR CHAIRPERSON OF THE UTILIZATION MANAGEMENT COMMITTEE

A. The Medical Directors or the Chairperson of the Utilization Management Committee provides decision in cases of differences in opinion between the Attending Physician or other Healthcare Providers and the Hospital Utilization Review Specialist on the appropriateness of admission or level of care of a patient.

B. The Medical Director or the Chairperson of the Utilization Management will assist in contacting the attending/on-call physician to request the change of admission status if challenging case arises.

VII. HOSPITAL ADMINISTRATION

A. Hospital Administration shall oversee and be responsible for the implementation of the Two midnight rule policy.

B. Hospital Administration delegates to the Utilization Management Committee, the responsibilities to make sure that all departments complies with the policy.

C. Hospital Administration may also provide administrative decision regarding any "unforeseen circumstances" that may affect patient admission status.

PROCEDURE:

I. TIME

A. Starting point for the two midnight rule is when the patient first begins receiving treatment.

1. Observation time begins at the clock time documented in the patient's medical record, which coincides with the time that observation care is initiated in accordance with a physician's order

2. Observation time ends and noted when all clinical or medical interventions have been completed, including follow-up care furnished by hospital staff and physicians that may take place after a physician has ordered the patient be released or admitted as an inpatient

3. Any non-medical reason (e.g. social issue) that may affect discharge on time will be referred to the UM committee for review.

B. CMS notes that this instruction excludes wait times prior to the initiation of care, and therefore triaging activities (such as vital signs before the initiation of medically necessary services responsive to the beneficiary's clinical presentation) must be excluded. The time when patient first starts receiving evaluation and treatment in the emergency department (excluding triage).

C. A beneficiary sitting in the ED waiting room at midnight while awaiting the start of treatment would not be considered to have passed the first midnight, but a beneficiary receiving services in the ED at midnight would meet the first midnight of the benchmark.

II. PHYSICIAN ORDERS

A. Two Midnight Observation

1. Physician writes order for patient two (2) midnight observation. Observation time must be documented in the medical record or he/she may use the Observation set menu on the Optimum IMED.

   a. If the physician expects the patient's medically necessary treatment to span less than 2 midnights, it is generally appropriate to treat the beneficiary in outpatient status.

   b. Physician certifies admission to 2 midnight observation.
      i. Documentation that inpatient services were medically necessary.
      ii. Documentation that patient expected to stay at least 2 midnights.

   c. If the physician is unable to determine at the time the beneficiary presents whether the beneficiary will require 2 or more midnights of hospital care, the physician may order observation services and reconsider providing an order for inpatient admission at a later point in time.

   d. But See CMS FAQ ("2 Midnight Inpatient Admission Guidance & Patient Status Reviews for Admissions on or after 10/1/2013") Q4.1—What documentation will Medicare contractors expect to support expectation of 2-midnights? A4.1: Expected LOS and underlying medical necessity of care at hospital must be supported by complex medical factors such as history and comorbidities, severity of signs and symptoms, current medical needs and risk of adverse event.

B. Inpatient Admission

1. If the patient requires medically necessary hospital care that is expected to span 2 or more midnights, then inpatient admission is generally appropriate.

2. Physician writes the inpatient order and fills out the certification for admission. (refer to section III)

III. CERTIFICATION/DOCUMENTATIONS

A. No specific procedure or format is required or provided by CMS.

B. CMS does not anticipate that physicians will include a separate attestation of the expected length of stay, but rather that this information may be inferred from the physician's standard medical documentation, such as his or her plan of care, treatment orders, and physician's notes.

C. Certifies the inpatient admission by documenting estimated length of stay, reason for inpatient admission, and plan for post hospital care if appropriate.

D. Certification must be completed, signed and dated. This will be documented in the medical record prior to discharge.

E. Physician recertifies the inpatient stay on the number of additional hospital days.

IV. CONDITION CODE 44 (CC44)

POLICY *CMS Transmittal 299(September 10, 2004) condition code 44 Publication 100-04*

A. In cases where a hospital utilization review committee determines that an inpatient admission does not meet the hospital's inpatient criteria, the hospital may change the beneficiary's status from inpatient to outpatient and submit an outpatient claim (TOBs 13x, 85x) for medically necessary Medicare Part B services that were furnished to the beneficiary, provided all of the following conditions are met:

B. CC 44 may be used only if all the following requirements are met:

1. The change in patient status from inpatient to outpatient is made prior to discharge or release, while the beneficiary is still a patient of the hospital;
2. The hospital has not submitted a claim to Medicare for the inpatient admission;
3. A physician concurs with the utilization review committee's decision; and
4. The physician's concurrence with the utilization review committee's decision is documented in the patient's medical record.

C. When the hospital submits a 13x or 85x bill for services furnished to a beneficiary whose status was changed from inpatient to outpatient, the hospital is required to report Condition Code 44 in one of Form Locators 24-30, or in the ANSI X12N 837 I in Loop 2300, HI segment, with qualifier BG, on the outpatient claim.

RESCISSION:

6432-3, Twenty-Three Hour Observation Service, of the Administrative Manual made effective January 1991.

GUAM MEMORIAL HOSPITAL AUTHORITY
REVIEW AND ENDORSEMENT CERTIFICATION

The signatories on this document acknowledge that they have reviewed and approved the following:

Submitted by: Utilization Review Taskforce

Policy Nos.: A-PC1000

Policy Title: Two Midnight Rule Policy

Reviewed/Endorsed:	**Date**	**Signature**
Name: Title:	Chair, Utilization Review Taskforce	
Reviewed/Endorsed:	**Date** 2-22-2017	**Signature**
Name: Title:	Friedrich Bieling, M.D. Chairman, Medical Executive Committee	
Reviewed/Endorsed:	**Date** 03/30/17	**Signature**
Name: Title:	Peter John D. Camacho, MHA Chairman, Executive Management Council	
Reviewed/Endorsed:	**Date** 04/19/17	**Signature**
Name: Title:	Lillian Perez-Pontanilla Acting Chairperson, BUT-Q&S Subcommittee	

*Use more forms if necessary. All participating departments/committees in developing the policy should provide signature for certification prior to submitting to the Compliance Officer.

Reviewed / Endorsed:	06/01/17	Eloy R. Lizama - Chairman, BUT