



## PI Payment Policy 41 Readmission Policy

### Purpose

This policy is intended to ensure correct provider reimbursement and serves only as a general resource regarding Molina Healthcare's reimbursement policy for the services described in this policy. It is not intended to address every aspect of a reimbursement situation, nor is it intended to impact care decisions. This policy was developed using nationally accepted industry standards and coding principles. In the event of a conflict, federal and state guidelines, as applicable, as well as the member's benefit plan document supersede the information in this policy. Additionally, to the extent there are any conflicts between this policy and the provider contract language, the provider contract language will prevail. Coverage may be mandated by applicable legal requirements of a State, the Federal government or the Centers for Medicare and Medicaid Services (CMS). References included were accurate at the time of policy approval.

### Policy

A readmission is generally defined as a second admission to a hospital within a set, pre-determined time frame of a discharge from the same or [affiliated](#) hospital.

Molina Healthcare reviews claims that fall into any one of the following four categories:

- Repeat Readmission
- Combined Payment Methodology Readmission
- Potentially Preventable Readmission
- Planned Readmission

Molina Healthcare considers repeat, not separately reimbursable, and planned readmissions to be a continuation of one episode of care for which a single DRG payment is made. Potentially preventable readmissions are considered paid in full for both the first (anchor) and second (readmission) hospital admissions by the single payment made for the first (anchor) admission.

### **Repeat Readmissions**

Repeat readmissions occur when a patient is discharged and readmitted to the same or [affiliated](#) hospital, within a set, pre-determined time frame as directed by State/Federal regulations, usually 24 hours. If a repeat readmission occurs, Molina Healthcare will deny the subsequent (repeat) admission claim for a separate DRG (Diagnosis Related Group) payment. The facility must resubmit a single combined, corrected claim with the following: a combined length of stay; combined billed charges of both admissions; *the appropriate DRG that was billed for the circumstances of the first admission.*

### **Not Separately Reimbursable Readmissions**

Not separately reimbursable readmissions occur when a patient is discharged and readmitted to the same or [affiliated](#) hospital within a set, pre-determined time frame as directed by State/Federal regulations (see State Specific Readmission grid below) with a same/similar/related condition to the initial/anchor admission. When a not separately reimbursable readmission occurs, Molina Healthcare will deny the subsequent (not separately reimbursable) admission claim for a separate DRG (Diagnosis Related Group) payment. The facility must resubmit a single combined, corrected claim with the following: a combined length of stay; combined billed charges of both admissions; *the appropriate DRG that was billed for the circumstances of the first admission.*



### **Potentially Preventable Readmissions**

Potentially preventable readmissions occur when a patient is discharged and readmitted to the same or [affiliated](#) hospital within a set, pre-determined time frame as directed by State/Federal regulations (see State Specific Readmission grid below) with a same/similar/related condition to the initial/anchor admission due to one or more of the following circumstances: premature or inadequate discharge from the initial admission; issues with transition or coordination of care from the initial admission; an acute medical complication that is plausibly related to care that occurred during the initial admission; inappropriate transfer to a lower level of care (i.e. skilled nursing facility, long term acute care hospital, acute inpatient rehabilitation, inpatient substance abuse treatment, home health, etc. When a potentially preventable readmission occurs, Molina Healthcare will deny the subsequent (potentially preventable) admission claim for a separate DRG (Diagnosis Related Group) payment as the payment made for the first (anchor) admission is considered payment in full.

Please note that a readmission may be medically necessary, but nonetheless preventable and would still be subject to the clinical preventable readmission review.

### **Planned and/or Leave of Absence Readmissions**

Planned and/or Leave of Absence (LOA) readmissions occur when a patient is discharged and readmitted to the same or [affiliated](#) hospital within a set, pre-determined time frame as directed by State/Federal regulations (see State Specific Readmission grid below) for a planned non-acute readmission for a scheduled procedure. When a planned and/or LOA readmission occurs, Molina Healthcare will deny the subsequent readmission claim for a separate DRG (Diagnosis Related Group) payment. The facility must resubmit a single combined, corrected claim with the following: correct revenue, value, and occurrence span codes required for billing an LOA claim; a combined length of stay (including zero charge days of leave when applicable); and combined billed charges of both admissions.

The following are common occurrences that are a planned and/or LOA readmission:

- Surgery was unable to be scheduled immediately for any reason (i.e. surgical team is unavailable, pre-operative testing and/or clearance is pending, etc.)
- Planned bilateral or staged procedures
- Surgical interventions that are expected or planned, should conservative and/or non-operative therapy fail.

The following are not circumstances are not considered to be a planned and/or LOA readmission:

- Obstetric delivery
- Transplant surgery
- Chemotherapy, transfusions, dialysis, or similar repetitive treatments.



State/Plan	Applicable Readmission Time span (based on State Law)	Repeat Admissions (within 24 hours unless otherwise noted)	Potentially Preventable Readmissions	Combined Payment Methodology Readmission
<b>Marketplace</b>				
ALL	30 Days	Yes	Yes	Yes
<b>Medicare</b>				
ALL	30 Days	Yes	Yes	Yes
<b>Medicaid</b>				
Arizona	30 Days	Yes	Yes	Yes
California	30 Days	Yes	Yes	No
Florida	30 Days	Yes	Yes	No
Idaho	30 Days	Yes	Yes	Yes
Illinois	30 Days	Yes	Yes	Yes
Kentucky	14 Days	Yes	Yes	Yes
Massachusetts	30 Days	Yes	Yes	Yes
Michigan	15 Days	Yes	Yes	Yes
Mississippi	15 Days	Yes	Yes	Yes
Nevada	30 Days	Yes	Yes	Yes
New Mexico	15 Days	Yes	Yes	Yes
New York	30 Days	Yes	Yes	No
Ohio	30 Days	Yes	Yes	No
South Carolina	30 Days	Yes	Yes	Yes

Texas	Combined Payment Methodology Readmission – 30 Days Potentially Preventable Readmissions - 15 Days	Yes	Yes	Yes
Utah	30 Days	Yes	Yes	Yes
Virginia	Repeat Admissions - 0-5 Days Combined Payment Methodology Readmission - 6 - 30 Days Potentially Preventable Readmissions - 30 Days	Yes	Yes	Yes
Washington	14 Days	Yes	Yes	TBD – Waiting on Meeting with State Regulators
Wisconsin	30 Days	Yes	Yes	No

### Documentation History

Type	Date	Action
Effective Date		New Policy
Revised Date		

### References

1. WA
  - A. <https://www.wsha.org/quality-safety/projects/readmissions/>
2. WA
  - A. <https://apps.leg.wa.gov/wac/default.aspx?cite=182-550-2950>
3. WA
  - A. <https://www.hca.wa.gov/billers-providers-partners/prior-authorization-claims-and-billing/hospital-reimbursement>
4. CA
  - A. [https://files.medi-cal.ca.gov/pubsdoco/Manuals\\_menu.aspx](https://files.medi-cal.ca.gov/pubsdoco/Manuals_menu.aspx)
5. CMS
  - A. [https://www.cms.gov/About-CMS/Agency-information/OMH/Downloads/OMH\\_Readmissions\\_Guide.pdf](https://www.cms.gov/About-CMS/Agency-information/OMH/Downloads/OMH_Readmissions_Guide.pdf)
6. CMS
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7. KY
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8. IL
  - A. <https://www2.illinois.gov/hfs/MedicalProviders/hospitals/PPRReports/Pages/default.aspx>
9. OH
  - A. <https://medicaid.ohio.gov/static/Providers/ManagedCare/PolicyGuidance/Hospital-Inpatient-Readmission-Policy.pdf>
10. NY
  - A. <https://regs.health.ny.gov/content/section-86-137-readmissions>
11. FL
  - A. [Medicaid Policy \(myflorida.com\)](#)
12. UT
  - A. <https://medicaid.utah.gov/Documents/manuals/pdfs/Medicaid%20Provider%20Manuals/Hospital/Hospital%20Services/HospitalServices.pdf>
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14. AZ
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  - B. [FinalDRGPaymentPolicies\\_Original\\_TC\\_20160701.docx \(live.com\)](#)
15. MI
  - A. <https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/Assistance-Programs/Medicaid-BPHASA/Other-Prov-Specific-Page-Docs/15-Day-Readmission-Example-Rev-7-2022.pdf?rev=2a5007dc24ce4830b3fbc7407cc338ab&hash=7EB22704E0B92474D8720A8B88DCB736>
16. WI
  - A. [https://www.forwardhealth.wi.gov/WIPortal/content/Managed%20Care%20Organization/Quality for BCP and Medicaid SSI/word/MY2022HMO Qualtiy\\_GuideFinal.docx.space](https://www.forwardhealth.wi.gov/WIPortal/content/Managed%20Care%20Organization/Quality%20for%20BCP%20and%20Medicaid%20SSI/word/MY2022HMO_Qualtiy_GuideFinal.docx.space)
17. MA
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18. VA
  - A. [Billing Instructions \(Hospital\) | MES \(virginia.gov\)](#)
19. TX
  - A. [2 Inpatient Outpatient Hosp Srvs.fm \(tmhp.com\)](#)
20. SC
  - A. <https://provider.scdhhs.gov/internet/pdf/manuals/Hospital/Manual.pdf>
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### Supplemental Information

#### Definitions

Term	Definition
CMS	Center for Medicare and Medicaid
IP	Inpatient
Same or affiliated hospital	If a hospital is part of a hospital system operating under the same hospital agreement, and/or if the hospital shares the same tax identification number with one or more other hospitals, then a readmission during the same readmissions look-back period to another hospital within the same hospital system, or to another hospital operating under the same tax identification number as the first hospital, will be treated as a readmission to the same hospital and, as such, is subject to this policy.