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## Tips from the RAC Cave: "Outpatient Observation vs. Inpatient Admission"

by RAC Man and QIC Boy Wonder

The Recovery Audit Contractors (RACs) are poised to begin their audits this month. This is the first in a series of articles providing tips related to the RAC audits.

No doubt the RACs will target one-day stays. This issue has been plaguing the hospital industry for decades, but it's never too late to be compliant. If real estate is about location, location, location, the key to short-day stays is education, education, education. To ensure reimbursement, the admitting physician must sign, date, and both explain and document the reasons for the admission. As a constant reminder, attach notecard instructions onto each patient chart. Also, train the staff to review the orders and follow up with the admitting physician before the patient is discharged if additional information is needed, especially for weekend admissions and discharges when staff levels may be low. Furthermore, review the Medicare manual sections regarding observation care: Medicare Claims Processing Manual, Chapter 4, §290 et seq. and Medicare Benefit Policy Manual, Chapter 6, §20.6.

In our next issue, same RAC time, same RAC channel: "Interqual vs. Milliman"

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