

CMS Lessens the Threat of MAC/RAC Review of Inpatient Admissions Under the Two-Midnight Rule

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The Centers for Medicare and Medicaid Services (CMS) recently provided additional information regarding the newly-implemented two-midnight rule for inpatient admissions ([link](#)). In response to frequently asked questions, CMS stated that it will instruct Medicare Administrative Contractors (MACs) and Recovery Auditors not to review claims spanning more than two midnights after admission for compliance with the rule during the implementation period of October 1, 2013 through December 31, 2013. Additionally, MACs and Recovery Auditors will not review any claims related to Critical Access Hospitals during this period.

CMS will instruct the MACs to review a small sample of 10 to 25 inpatient hospital claims for inpatient admissions spanning less than two midnights after admission during the implementation period to evaluate the medical necessity of the admissions. If no issues are identified in the sample set, the MAC will cease further review during the implementation period. If the MAC identifies issues, it will educate the hospital and follow up if necessary. Although MACs will review certain inpatient admission claims for medical necessity, CMS will not permit Recovery Auditors to review inpatient admissions of one midnight or less that occur during the implementation period.

CMS cautions hospitals to ensure they are following the two-midnight rule during the implementation, stating that “evidence of systematic gaming, abuse or delays in the provision of care in an attempt to surpass the two-midnight presumption could warrant medical review.”