



Carrier Advisory Committee Inpatient Review

National Government Services Medical Review Part A
New York/Connecticut
September 15 & 16, 2009

Session Objectives

- Provide an overview of the NGS Inpatient Review
- Describe Medical Review tools and criteria for decision making
- Summarize Medical Review findings
- Highlight implications for hospital providers

Agenda

- Background Information
 - Transfer of review responsibility to FIs/MACs
 - Data analysis
 - Targeted DRGs
 - Types of review
- Medical Review Tools and Decision Making
- Key Findings
- Learning Points for Hospitals

Background Information

- The responsibility for review of Inpatient PPS claims moved from the Quality Improvement Organizations (QIOs) to the FIs/MACs based on CMS Change Request (CR) 5849, published 08/07/2008
- Data analysis targeted the review focus, using paid claims data covering January 1 – June 30, 2008
- Specific DRGs targeted and analyzed
- Hospital outliers selected for review
- Pilot Project review began in January 2009

Targeted DRGs

- Medical Necessity of Inpatient Admissions – Brief Stay
 - DRGs:
 - 313 – Chest pain
 - 391, 392 – Esophagitis, gastroenteritis, and misc. digestive disorders, with and without MCC
 - 640, 641 – Nutritional & misc. metabolic disorders with and without MCC

Targeted DRGs

- DRG Validation Review
 - 061, 062, and 063 – stroke-related DRGs
 - 064, 065, and 066 – Intracranial hemorrhage DRGs
 - 067 and 068 – non-specific CVA DRGs
 - 069 – Transient ischemic attack (TIA)

Types of Review

- Medical Necessity of Inpatient Admission, Brief Stay – review to determine if complexity of care, intensity of services and medical necessity of inpatient admission are supported in the medical record
- DRG Validation – review of medical record and coding to verify correct DRG assignment

Medical Review Tools and Decision Making Criteria

- Criteria for decision making – medical necessity of admission review
 - Use of InterQual criteria, as first step in the medical necessity determination
 - Severity of illness
 - Intensity of services
 - Clinical judgment of reviewers - nurses, certified coders, and contractor medical director
 - Key Question: Does the medical record support the level of care provided?

Medical Review Tools and Decision Making Criteria

- DRG Validation Review – a review of the medical record to ensure that the DRG assignment is supported.

Key Review Statistics

- Medical Necessity of Inpatient Admissions
 - Claims: reviewed: 472; denied: 448
 - Claim Denial Rate: 94.9%
 - Dollar Denial Rate: 97.9%
- DRG Validation
 - Claims: reviewed: 230
 - DRGs changed: 20 (with error rate of 8.7%)
 - Claims denied: 12
 - Admission Denial Rate: 5.2% (admissions denied/
total cases reviewed)

Key Review Findings

- Medical Necessity of Admission – Brief Stays
 - Majority of claims reviewed showed services were medically necessary, but did not require an inpatient level of care.
 - DRG 313 – chest pain
 - Constituted significant percent of claims reviewed
 - Laboratory results were negative
 - No acute findings
 - Clinical status was stable

Key Review Findings

- DRG 640 – Nutritional and misc. metabolic disorders with and without MCC
 - Patient evaluated and treated in a relatively brief period of time
 - Laboratory results did not trigger inpatient criteria for admission.

Key Review Findings

- DRG Validation Review
 - Overall, findings less dramatic
 - Errors reflected both DRG payment increases and decreases
 - Evidence of excellent physician documentation and accurate coding
 - Error rate varied significantly from hospital to hospital
 - Surprise finding: Twelve (?) admissions were denied
 - medical necessity of IP admission not supported.

You are Responsible for

- Knowledge of the requirements necessitating inpatient admissions
- Working in conjunction with physicians to ensure documentation of admission status is clearly defined by a signed and dated physician order.
- Monitoring the documentation of clinical rationale for level of care decisions in the medical record.

Clinical POE Contact Information

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Questions?

Thank you!