All-Cause Readmission and Potentially Preventable Readmission (PPR) Payment Policy for Medicare, Medicaid and MyCare Ohio Lines of Business

This payment policy provides guidance regarding reimbursement and is not intended to address every situation. In instances that are not addressed by this policy, or by another policy or contract, Molina Healthcare retains the right to use discretion in interpreting this policy and applying it (or not applying it) to the reimbursement of services provided. The provider is responsible for submitting complete, accurate, and timely claims for payment consideration.

POLICY OVERVIEW

This policy is based on guidelines set forth by the Centers for Medicare and Medicaid Services (CMS) and the Ohio Department of Medicaid (ODM) for determining an inappropriate or preventable readmission.

Upon receipt of an inpatient authorization request from a provider, clinical staff will review for both medical necessity and for identification of a potential readmission based on a 30-day look back period. If an inpatient authorization is approved for medical necessity and is identified as a potential readmission, this will be noted on the authorization. Molina Healthcare will notify the requesting provider of identification of a potential readmission, upon communication of the authorization decision.

Readmissions identified as Potentially Preventable Readmissions (PPR) will be reviewed using 3M™ Health Information System Division PPR Measure based on the Ohio Department of Medicaid's customization. 3M™ identifies avoidable and unnecessary care. The focus on “potentially preventable” events gives focus on areas of opportunity that will have the greatest impact on improved patient care while decreasing unnecessary readmits.

A clinical review of the medical records for potential all-cause readmissions relating to the previous admission will determine whether the readmission was related. Once the readmission is determined to be clinically related, it will be further evaluated to determine whether it was inappropriate and/or potentially preventable. The review will evaluate the initial admission’s appropriateness of discharge, as well as the quality of the discharge plan.

A request for medical records will be sent to the provider if they are not currently on file, or are missing needed information to aid staff in making a final determination.

A 30-day all-cause readmission will be considered to be inappropriate or preventable under the following circumstances:

- If the readmission was medically unnecessary;
- If the readmission resulted from a prior premature discharge from the same hospital;
- If the readmission resulted from a failure to have proper and adequate discharge planning;
• If the readmission resulted from a failure to have proper coordination between the inpatient and outpatient health care teams; and/or
• If the readmission was the result of circumvention of the contracted rate by the hospital

The following readmissions are excluded from 30-day all-cause readmission review:
• Transfers from out-of-network to in-network facilities;
• Transfers of patients to receive care not available at the first facility;
• Readmissions that are planned for repetitive or staged treatments (i.e. cancer chemotherapy or surgical procedures);
• Readmissions associated with malignancies, burns, or cystic fibrosis;
• Admissions to Skilled Nursing Facilities, Long Term Acute Care Facilities, and Inpatient Rehabilitation Facilities (SNF, LTAC, and IRF);
• Readmissions where the anchor admission had a discharge status "left against medical advice";
• Obstetrical readmissions;
• Admissions for patients who died during the anchor hospitalization (no opportunity for readmission);
• Readmissions ≥ 31 days from the date of discharge from the anchor admission.

To review the criteria for inclusions and exclusions to the potential preventable readmission policy please see OAC Rule 5160-2-14.

**CLAIM PROCESSING**

Molina Healthcare will review a claim at the time of receipt to determine if it meets the 30-day all-cause readmission or PPR guidelines.

If a claim meets criteria for a PPR, it will be denied and the provider will receive an explanation of payment stating that the claim was determined to be for a potentially preventable readmission.

If a claim is determined to be related to a previous admission based on 30-day all-cause readmission standards (and thus could possibly be determined to be an inappropriate, unnecessary, or preventable readmission), the hospital must forward pertinent sections of medical records for related admissions, upon request. A qualified clinician will review the clinical information provided to determine if any readmission was inappropriate, unnecessary, or preventable based on the above guidelines. The provider will have 30 days from date of request to supply the additional medical documentation. If additional documentation is not received within this timeframe, the claim will be deemed an inappropriate, unnecessary, or preventable admission and be denied.

If a readmission is determined to be inappropriate, unnecessary, or preventable, written notification of such a determination will be sent to the hospital. Standard appeal timelines will apply.
The claim for the 30-day all-cause preventable readmission will be denied after notification of the determination has been sent to the hospital. The payment for the anchor admission will be considered payment in full.

If the anchor claim (initial admission) was denied, or processed as an outpatient service, then the second admission will no longer be considered a readmission and will be processed based on medical necessity and standard payment guidelines.

**DEFINITIONS**

Clinically Related – An underlying reason for a subsequent admission that is plausibly related to the care rendered during or immediately following a prior hospital admission. A clinically related readmission may have resulted from the process of care and treatment during the prior admission (e.g., readmission for a surgical wound infection) or from a lack of post admission follow-up (e.g., lack of follow-up arrangements with a primary care physician) rather than from unrelated events that occurred after the prior admission (e.g., broken leg due to trauma) within a specified readmission time interval.

Anchor Claim or Initial Admission – An inpatient admission and the related claim for services at an acute, general, or short-term hospital and for which the date of discharge for such admission is used to determine whether a subsequent admission at that same hospital occurs within 30 days.

Potentially Preventable Readmission (PPR) – A potentially preventable readmission is a readmission (re-hospitalization within a specified time interval) that is clinically related (as defined by OAC Rule 5160-2-14) and may have been prevented had adequate care been provided during the anchor hospital stay.

Readmission – An admission to a hospital occurring within 30 days of the date of discharge from the same hospital. Intervening admissions to non-acute care facilities (e.g., a skilled nursing facility) are not considered readmissions and do not affect the designation of an admission as a readmission.

**ADDITIONAL RESOURCES**


42 CFR 412.150 through 412.154 include the rules for determining the payment adjustment under the Hospital Readmission Reductions Program for applicable hospitals to account for excess readmissions in the hospital.

Centers for Medicare and Medicaid Readmission Reduction Program information available at: http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Readmissions-Reduction-Program.html

Ohio Administrative Code available at http://codes.ohio.gov/oac/