Readmission

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 a conflict, federal and state guidelines, as applicable, and the member's benefit plans supersede the information in this policy. Also, to the extent of 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. If there is a state exception, please refer to the state exception table listed below.

Policy Overview

Readmission is typically defined as a subsequent admission to a hospital within a predetermined time limit following discharge from the same or an affiliated (if applicable) hospital.

Molina Healthcare reviews claim that they fall into any of the following four categories:

- Repeat Readmission
- Combined Payment Methodology Readmission
- Potentially Preventable Readmission
- Planned Readmission
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Molina Healthcare considers repeat, non-separately reimbursable, and planned readmissions as part of a single episode of care for which a single Diagnosis-Related Group (DRG) payment is made. Potentially preventable readmissions are considered fully paid for both the initial (anchor) and subsequent (readmission) hospital admissions by the single payment made for the initial (anchor) admission.

Reimbursement Guidelines

Repeat Readmissions

Repeat readmissions happen when a patient is discharged and readmitted to the same or affiliated hospital within a specified time limit as mandated by State/Federal regulations, typically 24 hours. If a repeat readmission occurs, Molina Healthcare will extend the authorization from the initial admission as a single stay. The facility must submit a combined, corrected claim including the total length of stay; combined billed charges for both admissions; and the appropriate DRG from the first admission circumstances. Molina Healthcare will deny the subsequent admission claim for a separate DRG payment.

Not Separately Reimbursable Readmissions

Not separately reimbursable readmissions occur when a patient is discharged and subsequently readmitted to the same or an affiliated hospital within a predetermined time limit as directed by State or Federal regulations (refer to the State Specific Readmission grid below). This situation arises when the readmission relates to the same, similar, or related condition as the initial admission. In such cases, Molina Healthcare will deny the claim for subsequent readmission as a separate Diagnosis Related Group (DRG) payment. The facility must resubmit a single, combined, corrected claim that includes the total length of stay, the combined billed charges for both admissions, and the appropriate DRG that corresponds to the circumstances of the initial admission.

Potentially Preventable Readmissions

Potentially preventable readmissions occur when a patient is discharged and subsequently readmitted to the same or affiliated (if applicable) hospital within a predetermined time limit as mandated by State/Federal regulations (refer to the State Specific Readmission grid below). These readmissions involve conditions that are the same, similar, or related to the initial admission and can be attributed to one or more of the following factors: premature or inadequate discharge

from the initial admission, issues with transition or coordination of care, an acute medical complication plausibly related to the care during the initial admission, or inappropriate transfer to a lower level of care (e.g., 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 authorization request for admission. Additionally, Molina Healthcare will deny the subsequent (potentially preventable) admission claim for a separate DRG (Diagnosis Related Group) payment, as the payment made for the initial (anchor) admission is considered full payment.

Please note that while a readmission may be medically necessary, it may still be deemed preventable and subject to 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 pre-determined time limit 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 constitute a planned and/or LOA readmission:

- Surgery was unable to be scheduled immediately for any reason (e.g., surgical team is unavailable, pre-operative testing and/or clearance is pending).
- Planned bilateral or staged procedures.
- Surgical interventions that are expected or planned if conservative and/or non-operative therapy fails.
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The following are not considered to be planned and/or LOA readmissions:

- 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
Marketplace				
ALL	30 Days	Yes	Yes	Yes
Medicare				
ALL	30 Days	Yes	Yes	Yes
Medicaid				
Arizona	72 hours	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
Iowa	30 Days	Yes	Yes	Yes
Kentucky	14 Days	Yes	Yes	Yes
Massachusetts	15 Days	Yes	Yes	Yes
Michigan	15 Days	Yes	Yes	Yes
Mississippi	15 Days	Yes	Yes	Yes
Nebraska	30 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	30 Days	Yes	Yes15 Days	Yes 30
Utah	30 Days	Yes	Yes	Yes
Virginia	0-5 Days	Yes	Yes 30 Days	Yes 6 - 30 Days
Washington	14 Days	Yes	Yes	No
Wisconsin	30 Days	Yes	Yes	No

Supplemental Information

Definitions

Term	Definition
CMS	Center for Medicare and Medicaid

State Exceptions

State	Exception
NV	Nevada is exempt from this policy.
VA	Reimbursement for readmission on days 1-5 from discharge date is 100% of the normal rate. Readmissions on day 6-30 from discharge date is 50% of the normal rate for potentially preventable readmission.

Documentation History

Type	Date	Action
Published Date	07/01/2023	New Policy
Revised Date	02/20/2025	Added IA and NE to the policy