

Molina Healthcare of New Mexico, Inc.
IMPORTANT UPDATE: TWO MIDNIGHT RULE for
MEDICARE MEMBERS

Dear Hospital Provider:

Effective [date], Molina Healthcare of New Mexico, Inc. (Molina Healthcare) will follow Centers for Medicare and Medicaid (CMS) Medicare Benefit Policy Manual regarding the two midnight rule that went into effect on December 22, 2016.

CMS formalized the two midnight rule in Chapter 1 of the Medicare Benefit Policy Manual. This document states that generally, a patient is considered an inpatient if formally admitted as inpatient with the expectation that he or she will require hospital care that is expected to span at least two midnights. It goes on to say that physicians should order admission for patients who are expected to require a hospital stay that crosses two midnights and the medical record supports that reasonable expectation.

Chapter 6 of the Medicare Benefit Policy Manual defines observation care as a well-defined set of specific, clinically appropriate services, which include ongoing short term treatment, assessment, and reassessment before a decision can be made regarding whether patients will require further treatment as hospital inpatients or if they are able to be discharged from the hospital.

Molina Healthcare follows CMS standards, as outlined in Chapter 1 of the Medicare Benefit Policy Manual, in making a determination regarding the payment methodology to be used for acute hospital care.

For Medicare, Molina Healthcare will pay for hospital care as an inpatient for those stays where there is a clear expectation, and the medical record supports that reasonable expectation, of an extended stay crossing two midnights. Molina Healthcare will pay as an inpatient for stays less than two midnights as a rare exception when the admitting physician has clearly documented the reasons in the medical record for an expectation of an inpatient stay lasting more than two midnights and the patient dies, is transferred or leaves the facility against medical advice before the two midnight stay is completed, or the patient makes an unexpected clinical improvement leading to early discharge. Molina Healthcare will also pay for inpatient admission for those procedures on the CMS inpatient only list, as found in CMS Addendum E at https://www.cms.gov/apps/ama/license.asp?file=/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Downloads/CMS1392FC_Addendum_E.zip.

Molina Healthcare appreciates our collaborative relationship and joint focus on improving health care for Molina Healthcare Members.

As always, our goal is to provide you with excellent customer service and support. If you have any questions, please call Provider Services toll free at (800) 377-9594, Monday through Friday from 8:00 a.m. to 5:00 p.m.

Network Management and Operations
Molina Healthcare New Mexico, Inc.

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