

## **CMS Two Midnight Rule – Inpatient Stays**

Molina Healthcare follows the CMS standards as outlined in Chapter 1 of the Medicare Benefit Policy Manual, including the Two Midnight Rule for Medicare and MMP reimbursement. For inpatient reimbursement, Molina requires that Medicare and MMP members stay in an inpatient facility:

- For at least two midnights; and
- That the services rendered are reasonable and necessary according to medical criteria, in order to qualify for inpatient admission.

Stays less than two midnights, that are reasonable and necessary will be approved/processed as observation services.

On rare occasions, Molina will make an exception and pay as an inpatient stay for stays less than two midnights. Rare exceptions include:

- The patient expires and the attending physician has clearly documented the reasons in the medical record for an expectation of an inpatient stay lasting more than two midnights.
- The patient is transferred or leaves the facility against medical advice before the two midnight stay is completed; and the attending physician has clearly documented the reasons in the medical record for an expectation of an inpatient stay lasting more than two midnights.
- The patient makes an unexpected clinical improvement leading to early discharge.
- Inpatient admission for those procedures on the CMS inpatient only list, as found in CMS Addendum E.

Additional information on exceptions can be found at:

[https://www.cms.gov/apps/ama/license.asp?file=/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Downloads/CMS1392FC\\_Addendum\\_E.zip](https://www.cms.gov/apps/ama/license.asp?file=/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Downloads/CMS1392FC_Addendum_E.zip)

Molina appreciates your efforts in providing excellent care of our members. If you have any questions regarding the Two Midnight Rule or Molina's reimbursement policies, please call Provider Services at (866) 449-6849, Monday to Friday, 8 a.m. to 5 p.m.