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PAYMENT POLICY ID NUMBER: 23-079

Original Effective Date: 08/15/2023

Revised: N/A

Institutional Reimbursement as Inpatient versus Outpatient

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DESCRIPTION:

This policy applies to Florida Blue Commercial, Medicare Advantage, and BlueCard Host business and those provider types billing on a UB04 claim form or its electronic equivalent. This policy is to define an inpatient stay vs outpatient service. Aside from death, transfer, or patient leaving against medical advice after occupying assigned inpatient bed, an inpatient stay should span at least two consecutive dates. Claims spanning less than two consecutive dates should be billed as outpatient.

REIMBURSEMENT INFORMATION:

Reimbursement for inpatient and outpatient treatment and related services corresponds either to the contracted rate, any other contractual arrangement, or Florida Blue payment policy. Refer to the current contract or payment policy for details. Claims identified as high risk for inappropriate coding and billing are subject to review.

BILLING AND CODING:

Inpatient

Florida Blue's policy for inpatient billing requires the patient to stay at the facility overnight and the admission and discharge dates will not be the same unless the patient was transferred to another hospital/facility, left against medical advice after occupying assigned inpatient bed, or expired before being discharged. This policy is not intended to define services that qualify under inpatient or outpatient billing. This policy is not intended to change the physician's orders to admit the patient. It is only

intended to define an inpatient stay, except for a death, transfer or patient leaving against medical advice after occupying assigned inpatient bed as having the admission and discharge dates span at least two consecutive dates, to count as a single day for room and board billing.

The discharge date is not included in a length of stay calculation unless the patient died, was transferred, or left against medical advice. The discharge date is included for a length of stay calculation on an interim bill.

It is Florida Blue's policy that all inpatient admissions should be authorized, while some Networks have notification language for inpatient admissions, the reimbursement of an inpatient claim requires that admission spanned two consecutive dates. The exceptions would be if the patient died, was transferred, or left against medical advice.

In the event an inpatient stay does not follow the above guidance, the authorization should be updated to reflect authorized Outpatient or Observation stay. Changes to an authorization are expected within 7 days of an event for approval. This process is no different from a scenario where the patient starts out as outpatient and is converted to inpatient, the authorization must be updated to reflect the change to inpatient status.

Florida Blue does not follow suit with Original Medicare with regards to their Utilization Management Programs. Florida Blue administers our standard UM policies and procedures (authorizations) under our Medicare Advantage Products. Original Medicare does not perform prior reviews/approvals for an inpatient admission. They have developed specific processes/procedures to assist hospitals and other institutional facilities with understanding services, processes and procedures that will qualify under an inpatient status.

Inpatient claims will be honored in the following situations:

- To be counted as an inpatient day, member must be inpatient for two consecutive days to count a single day for room and board billing.
- Death - In the event a patient is admitted and expires the same day, this day will be considered the day of admission and count as one inpatient day
- Same Day Transfers – in the event a patient is transferred to a different facility, this day will be considered the day of admission and count as one inpatient day
- Leave against Medical Advice – If a patient leaves of their own volition after occupying the assigned inpatient bed.

Situations where billing an Inpatient claim would not be appropriate include:

- **Leave against Medical Advice:** Members who received an inpatient admission order but chose to leave AMA from the ER or designated ER Hold Bed. Inpatient Room and Board charges would not be appropriate if the member did not occupy the assigned inpatient bed.

The Hospital shall not bill a daily service charge or fractional part thereof to either Florida Blue or the member for the day of discharge.

Outpatient

Claims with the same admission and discharge dates, except in the case of death, transfers, and leaving against medical advice are considered outpatient. The Florida Blue authorization process includes a review to determine if the admission meets inpatient criteria. If an inpatient setting is requested and criteria is not met, the hospital is advised observation status applies for the services, not inpatient.

Surgery

Florida Blue does not follow suit with Medicare's "Inpatient Only List" of surgical procedures. If the event does not meet inpatient criteria, surgical procedures that can be performed in an outpatient setting are approved as such through the authorization process. If the event does meet inpatient criteria, the patient should stay two consecutive dates for inpatient reimbursement to apply. Otherwise, the event should be billed as outpatient and any authorizations updated from an inpatient to outpatient status.

REFERENCES:

1. Florida Blue's Manual for Physicians and Providers
2. Centers for Medicare and Medicaid Services, Medicare Claims Processing Manual, Chapter 4 Part B Hospital

GUIDELINE UPDATE INFORMATION:

08/15/2023	New Policy

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