

Payment Policy

Title	Hospital or Hospital System Readmissions		
Number	CP.PP.399.v2.2		
Last Approval Date	05/19/25	Original Effective Date	08/31/16
Cross Reference	<i>Inpatient Acute Transfers from DRG Hospitals</i>		

Coverage of any service is determined by a member's eligibility, benefit limits for the service or services rendered and the application of the Plan's Medical Policy. Final payment is subject to the application of claims adjudication edits common to the industry and the **Plan's professional or facility services claims coding policies**. Reimbursement is restricted to the provider's scope of practice as well as the fee schedule applicable to that provider.

Purpose	To describe how the Plan identifies and processes a Hospital or Hospital System claim for an acute care inpatient readmission to the same Hospital or Hospital System billed on a UB-04 paper claim form or an 837I electronic claim form.
Scope	Applies to all Premera Blue Cross, Premera Blue Cross Blue Shield of Alaska, LifeWise Health Plan of Washington, LifeWise Assurance Company and Premera Blue Cross HMO lines of business and products.
Definitions	<p><u>Readmission:</u> An acute care inpatient Hospital or Hospital System admission that falls within 30 calendar days of a prior acute care inpatient Hospital or Hospital System discharge from the same Hospital or Hospital System for the same condition as treated in the original Hospital or Hospital System stay.</p> <p><u>Same condition:</u> Is determined by the same diagnostic related group (DRG) classification as grouped by the diagnosis and procedure codes billed on a UB-04 or 837I claim for DRG reimbursed facilities</p> <p><u>Hospital System:</u> Two or more hospitals affiliated with, owned, or managed by a central organization.</p> <p><u>Same Day Transfers between Hospitals or Hospital System:</u></p> <ol style="list-style-type: none"> 1. Transfers between acute care hospitals within any 24-hour period during the initial Hospital or Hospital System stay and; 2. Transfers are made via ambulance and are based on accessing a higher level of care or care that is not available at the first facility. <p><u>Readmission Period:</u> The thirty calendar days (0-30) readmission period including the day of discharge as day 0 and the subsequent thirty calendar days.</p> <p><u>Unplanned readmission:</u> An admission that was not a scheduled admission and not a known readmission for a series of continued hospitalization (e.g., inpatient cycles of inpatient chemotherapy).</p>
Policy	Effective with claim dates of service on and after September 5, 2025, unplanned inpatient readmissions for the same condition as treated in the original Hospital or Hospital System stay that falls within 30 calendar days of discharge from the same Hospital or Hospital System, the Plan will deny reimbursement of the readmission claim.

	<p>Same day transfers between hospitals or hospital systems will need to be correctly identified as a “same day transfer” within a 24-hour period from a discharge from a hospital. A correct Discharge Status code on the initial claim and a correct Admission code on the readmission claim will be required in order to identify the claim as a "same day transfer" claim and not a readmission claim. Discharge status codes and Admission code are noted in the Codes/Coding Guidelines section of this policy.</p> <p>Failure to identify an admission as a “same day transfer” with the correct Discharge Status code and Admission code for the receiving facility will result in the claim being considered a readmission and will be denied reimbursement per policy criteria.</p>
Violations of Policy	<p>Violations of this policy by any party that enters into a written arrangement with the Plan may result in increased auditing and monitoring, performance guarantee contractual penalties and/or termination of the contract. Disciplinary actions will be determined in Plan’s sole discretion.</p> <p>Violations of this policy may be grounds for corrective action, up to and including termination of employment.</p>
Exceptions	<p>This policy does not apply to the following readmission types:</p> <ul style="list-style-type: none"> • Readmissions for planned non-surgical treatments including: <ul style="list-style-type: none"> ○ Chemotherapy which included the treatment of malignant disease by chemical or biological antineoplastic agents, nonclonal antibodies, bone marrow stimulants, antiemetic agents and other related biotech products or radiation regimens <ul style="list-style-type: none"> ▪ DRGs: 54-55, 146-147, 180-182, 837-839, 846-848 ○ Burns <ul style="list-style-type: none"> ▪ DRGs: 927-929, 933-935 ○ Cystic fibrosis <ul style="list-style-type: none"> ▪ DRGs: 177-179 ○ Transfusions for chronic anemias (e.g., sickle cell anemia) • Readmissions for scheduled, planned or delayed elective surgery • Readmissions related to covered transplant services during the global case rate period for the transplant including: <ul style="list-style-type: none"> ○ Bone marrow transplants ○ Organ transplants ○ Tissue transplantation from a live or cadaveric donor • Pre-delivery, Obstetrical admissions and post-partum complications <ul style="list-style-type: none"> ○ DRGs: 768-769, 770, 776,779, 783-788, 796-798, 805-807, 817-819, 831-833 • Readmissions after a patient was initially discharged against medical advice (AMA) from the same hospital or hospital system <ul style="list-style-type: none"> ○ DRG 894 ○ Initial admission claim shows a Discharge Status code 07- <i>Left Against Medical Advice or Discontinued care</i> • Same Day Transfers within a hospital or Hospital System <ul style="list-style-type: none"> ○ Admit date of the readmission claim will be the same as the discharge date of the initial hospital claim, ○ an appropriate Discharge Status code (see below) on the initial admission claims indicating a transfer to another facility/hospital, and

	<ul style="list-style-type: none"> ○ an appropriate Admission Status code (see below) on the readmission claim indicating a transfer from another hospital or a transfer from another healthcare facility • Behavioral Health (psychiatric and substance use disorders) <ul style="list-style-type: none"> ○ DRGs: 880-897 • Acute physical rehabilitation readmissions <ul style="list-style-type: none"> ○ DRGs: 945-946 • Newborn/neonatal care <ul style="list-style-type: none"> ○ DRGs: 789-795 • Children's Hospitals/Infants (children less than 12 months old) <ul style="list-style-type: none"> ○ Use the patient's age to exclude readmission claims • Pediatric Oncology (age <18 years) <ul style="list-style-type: none"> ○ DRGs: 54-55, 146-147, 180-182 <p><u>Discharge Status Codes:</u></p> <p>An appropriate Discharge Status Code is required on the initial hospital claim to identify a same day transfer to another facility:</p> <ul style="list-style-type: none"> • 02-Discharge/Transferred to Short-Term General Hospital for Inpatient care, • 05-Discharged/Transferred to Designated Cancer Center or Children's Hospital, • 07-Left Against Medical Advice or Discontinued care, • 20-Expired, • 30-Still a patient, • 81-Discharged to Home of Self-care with a planned acute care hospital inpatient readmission, • 82-Discharged/Transferred to Short Term General Hospital for inpatient care with a planned acute care hospital inpatient readmission, • 83-Discharged/Transferred to Skilled Nursing facility with Medicare certification with a planned acute care hospital inpatient readmission, • 84-Discharged/Transferred to a facility that provides custodial or supportive care with a planned acute care hospital inpatient readmission, • 85-Discharged/Transferred to a designated cancer center or Children's hospital with a planned acute care hospital inpatient readmission, • 86-Discharged/Transferred to home under care of Organized Home Health Service Organization with a planned acute care hospital inpatient readmission, • 87- Discharged/Transferred to Court/Law Enforcement with a planned acute care hospital inpatient readmission, • 88- Discharged/Transferred to a Federal Health Care Facility with a planned acute care hospital inpatient readmission, • 89- Discharged/Transferred to a Hospital based Medicare approved swing bed with a planned acute care hospital inpatient readmission, • 90- Discharged/Transferred to an Inpatient Rehabilitation Facility including Rehabilitation District part Units of a Hospital with a planned acute care hospital inpatient readmission, • 91- Discharged/Transferred to a Medicare certified long-term care hospital with a planned acute care hospital inpatient readmission, • 92- Discharged/Transferred to a Nursing Facility certified under Medicaid but not certified under Medicare with a planned acute care hospital inpatient readmission,
--	--

	<ul style="list-style-type: none"> • 93- Discharged/Transferred to a Psychiatric Hospital or Psychiatric Distinct Part Unit of a Hospital with a planned acute care hospital inpatient readmission, • 94- Discharged/Transferred to a Critical Access Hospital with a planned acute care hospital inpatient readmission, and • 95- Discharged/Transferred to another type of healthcare institution not defined elsewhere with a planned acute care hospital inpatient readmission <p><u>Admission Status Codes:</u></p> <p>The correct Admission Status code entered on the receiving facility claim (Field 15 – Point of Origin for Admission) which will identify a patient as a same day transfer admission from another facility include:</p> <ul style="list-style-type: none"> • 4 – Transfer from a Hospital (Different facility) • 6 – Transfer from another Healthcare Facility
Laws, Regulations & Standards	
References	

Policy Owner Review	Payment Integrity Oversight Committee	
Contact	Any questions regarding the contents of this policy or its application should be directed to the Payment Integrity Department.	
Annual Review Dates	05/19/25; 04/07/25; 05/14/24; 09/06/23; 10/13/22; 11/01/21; 04/28/21; 02/25/21; 03/05/20; 04/08/19; 02/18/19; 02/27/18; 10/19/17; 10/19/16; 09/14/16; 05/12/16	
Version History	02/27/18	Revised entries in the policy exclusion section on second page
	02/18/19	Two additional bullets were added to the list of readmission types that are not subject to the policy: Pediatric Oncology and Behavioral Health readmissions
	04/08/19	Clarified that the readmissions are for acute care inpatient hospital admissions/readmissions
	03/05/20	Annual review; no changes
	02/25/21	Clarified the Purpose statement that the policy applies to facility services billed on a UB-04/CMS-1450 paper claim form or 837I electronic claim form
	04/28/21	<p>In the Definitions section:</p> <ul style="list-style-type: none"> • revised the “Readmission” definition to represent a 5-day readmission period. • added new definitions for “Same Condition”, “Readmission Period” and “Unplanned Readmission”. <p>Policy statement revised to reflect a 5-day readmission period and how the two Inpatient claims will be reimbursed.</p> <p>Policy Exceptions moved from the Policy statement to the Exceptions section.</p> <p>The effective date of these changes will be with claims processed on and after September 3, 2021.</p>

	11/01/21	Added back Exceptions that were inadvertently removed from the prior policy update including Newborn/neonatal care, Infants (children less than 12 months old) and Pediatric Oncology
	10/13/22	Removed the prior opening paragraph of the Policy since the effective date is over a year old.
	09/06/23	Annual review; no changes
	05/14/24	Annual review; no changes
	04/07/25	In the Exceptions section, revised the bullet regarding an initial discharge against medical advice (AMA)
	05/19/25	<p>In the Cross Reference section, added Payment Policy “Inpatient Acute Transfers from DRG Hospitals”</p> <p>Effective with claim dates of service on and after September 5, 2025:</p> <ul style="list-style-type: none"> • In the Definitions section, the following definitions are revised: <ul style="list-style-type: none"> ○ Readmission definition includes the 30-day readmission period ○ Same Condition limited to same diagnostic related group (DRG) only ○ Readmission period expanded to 30-days • In the Policy section, : <ul style="list-style-type: none"> ○ The first paragraph indicates that the readmission period is 30-days, and the readmission claim will be denied reimbursement ○ The last two paragraphs were added to indicate that same day transfers between hospitals must be identified as same day transfers based on the correct Discharge Code and the correct Admission code to prevent these claims from being interpreted as a readmission claim. • In the Exceptions section: <ul style="list-style-type: none"> ○ Excluded readmission types clarified ○ Discharge status codes listed to identify same day transfers ○ Admission Status codes listed to identify a transfer admission from another facility