

Payment Policy

Title	Hospital or Hospital System Readmissions		
Number	CP.PP.399.v2.1		
Last Approval Date	04/07/25	Original Effective Date	08/31/16
Cross Reference			

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 5 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:</p> <ul style="list-style-type: none"> 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, or the same Principal Diagnosis code and Admitting Diagnosis (Field Locators 67 and 69 respectively) as billed on a UB-04 or 837I claim form for non-DRG reimbursed facilities. <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"> Transfers between acute care hospitals within any 24-hour period during the initial Hospital or Hospital System stay and; 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 five-calendar day (day 0-5) readmission period including the day of discharge as day 0 and the subsequent five 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	<p>In the event of an unplanned inpatient readmission for the same condition as treated in the original Hospital or Hospital System stay that falls within 5 calendar days of discharge from the same Hospital or Hospital System, the Plan will treat both inpatient stays as a single clinical event for payment purposes.</p> <p>The claim with the highest reimbursement will be paid and the claim payment for the other admission will be retracted or recovered.</p> <p>If the total cumulative stay for an initial admission and a readmission meets the threshold for the DRG outlier payment, the Plan will pay the DRG outlier payment as a supplemental payment.</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 <u>not</u> apply to the following readmission types:</p> <ul style="list-style-type: none"> • Readmissions for planned <u>non-surgical treatments</u> including: <ul style="list-style-type: none"> ○ Chemotherapy which includes 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 ○ Burns ○ Cystic fibrosis • Readmissions for scheduled or delayed elective surgery • Readmissions related to transplant services including: <ul style="list-style-type: none"> ○ Bone marrow transplants ○ Organ transplants ○ Tissue transplantation from a live or cadaveric donor • Obstetrical admissions and post-partum complications • Readmission after a patient was initially discharged against medical advice (AMA) from the same hospital or hospital system • Same Day Transfers within a Hospital or Hospital System • Behavioral Health (psychiatric and substance use disorders) • Acute physical rehabilitation readmissions • Newborn/neonatal care • Infants (children less than 12 months old) • Pediatric Oncology
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	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 for 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).