

# Provider Bulletin

## News and Information



April 21, 2025

### UCare to implement Two-Midnight Rule review process on inpatient hospital claim submissions

A recent independent review of UCare's inpatient hospital claim submissions found a significant number of claims that are inconsistent with the Centers for Medicare and Medicaid Services' (CMS) [Two-Midnight Rule](#).

**Effective immediately**, UCare will review claims submitted as an inpatient hospital stay that are less than two midnights and do not appear to meet the standards as listed in CMS guidance. Inpatient hospital claims that fail to meet the standards will be denied for UCare's Medicare Advantage, UCare's Minnesota Senior Health Options and UCare Connect + Medicare plans. The denial reason will be CARC 150 - Payer deems the information submitted does not support this level of service. Providers will have the options of:

- Resubmitting a corrected claim as an outpatient/observation hospital stay.
- Submitting a claims appeal with the appropriate medical documentation to support the inpatient status (as outlined in the CMS guidance).

Since this is an issue of compliance with CMS guidance, UCare will be reviewing hospital inpatient claims with paid dates back to May 1, 2024, and retroactively adjusting claims that do not support an inpatient stay. Providers can resubmit a corrected claim as an outpatient/observation hospital stay or appeal the adjustments. UCare will make accommodations to address issues of timely filing for re-submissions.

### More information

- [2024 Medicare Advantage and Part D final rule \(CMS-4201-F\)](#): Requires Medicare Advantage to adopt Two-Midnight Rule
- [UCare Provider Claim Reconsideration form](#) – see *Forms & Links*
- CMS Guidance on Two-Midnight Rule:
  - [78 FR 50965](#), Aug. 19, 2013, as Amended at [79 FR 67030](#), Nov. 10, 2014
  - [80 FR 70602](#), Nov. 13, 2015
  - [83 FR 41700](#), Aug. 17, 2018
  - [85 FR 86300](#), Dec. 29, 2020
  - [86 FR 63992](#), Nov. 16, 2021