

Inpatient Hospital Readmission

Policy Numbers:

UM19P0035A1

SC19P0072A1

EX19P0016A1

Effective Date: January 1, 2020

Last Update: March 31, 2025

PAYMENT POLICY HISTORY

DATE	SUMMARY OF CHANGE
March 31, 2025	Updated 'State Public Programs' to 'Minnesota Health Care Program (MHCP).'
March 17, 2025	Annual review complete. Corrected product names within applicable products section. No other changes.
April 19, 2024	Annual review complete. No technical changes made.
May 25, 2023	Annual policy review completed. Updates made to applicable products, payment information (section was simplified), and exemptions (exemption clarifications added).
May 28, 2021	<p>The Inpatient Hospital Readmission policy is moved to an updated format. As a result, some information may have been reformatted. In addition, the following updates were made to the policy:</p> <ul style="list-style-type: none"> • The process UCare will use for multiple hospital stays that bundle to the same DRG (MS- or APR-DRG); • Additional information was added to clarify the difference between same day/next day readmissions vs. readmissions occurring 3 – 30 days after another related hospital stay; • Clarification regarding readmissions that are exempt from readmission review; • Information about the process UCare will follow when retroactively reviewing inpatient hospital admissions; and • A link to the UCare Provider Manual and the UCare appeal process was added to the policy.
January 1, 2020	UCare published the Inpatient Hospital Readmission policy.

APPLICABLE PRODUCTS

This policy applies to the products checked below:

UCARE PRODUCT	PRODUCT TYPE	APPLIES TO
UCare Connect + Medicare	Dually Integrated	✓
UCare Minnesota Senior Health Options (MSHO)	Dually Integrated	✓
UCare Individual & Family Plans	IFP	✓
UCare Individual & Family Plans M Health Fairview	IFP	✓
UCare EssentiaCare Plans	Medicare	✓
UCare Medicare – ISNP	Medicare	✓
UCare Medicare Plans	Medicare	✓
UCare Your Choice Plans	Medicare	✓
UCare Connect	Minnesota Health Care Programs (MHCP)	✓
UCare Minnesota Senior Care Plus (MSC+)	Minnesota Health Care Programs (MHCP)	✓
UCare MinnesotaCare	Minnesota Health Care Programs (MHCP)	✓
UCare Prepaid Medical Assistance (PMAP)	Minnesota Health Care Programs (MHCP)	✓

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PAYMENT POLICY INSTRUCTIONS

A payment policy assists in determining provider reimbursement for specific covered services. To receive payment, the provider must be in a contractual relationship with UCare and provide services to a member enrolled in one of UCare's products. This payment policy is intended to provide a foundation for system configuration, work instructions, call scripts, and provider communications. A payment policy describes the rules for payment, which include applicable fee schedules, additional payment rules by regulatory bodies, and contractual terms. This policy is a general guideline and may be superseded by specific provider contract language.

PAYMENT POLICY OVERVIEW

- The UCare Hospital Readmission policy addresses inpatient hospital readmissions occurring:
 - within thirty (30) days of a previous inpatient stay for Medicare, UCare Dually Integrated products when Medicare is the primary payor/benefit, and UCare Individual and Family products;
 - within fifteen (15) days of a previous inpatient stay for Minnesota Health Care Programs
- Applies to all facilities that are paid based on:
 - Medicare Severity Diagnosis Related Group (MS-DRGs); or
 - All Patient Refined Diagnosis Related Groups (APR-DRGs).

POLICY DEFINITIONS

TERM	NARRATIVE DESCRIPTION
Clinically Related	Means that the underlying reason for readmission is the same, similar, or related condition to those occurring during a prior hospital admission.
Readmission	For purposes of this Policy, readmission means an inpatient admission to the same facility or hospital that follows a previous hospital stay.

ENROLLEE ELIGIBILITY CRITERIA

THIS SECTION OF THE POLICY PROVIDES INFORMATION THAT IS SPECIFIC TO THE UCARE MEMBER, INCLUDING INFORMATION ABOUT THE CRITERIA THE MEMBER MUST MEET IN ORDER FOR THE SERVICE(S) IN THE POLICY TO BE ELIGIBLE FOR PAYMENT.

The Inpatient Hospital Readmission policy applies to all enrolled UCare members.

ELIGIBLE PROVIDERS OR FACILITIES

OUTLINED BELOW IS THE SPECIFIC CRITERIA A PROVIDER MUST MEET IN ORDER FOR THE SERVICE(S) IN THIS POLICY TO BE ELIGIBLE FOR PAYMENT.

Provider

Not applicable.

Facility

This policy applies to participating and non-participating facilities.

Other and/or Additional Information

Not applicable.

EXCLUDED PROVIDER TYPES

OUTLINED BELOW IS INFORMATION REGARDING PROVIDERS WHO ARE NOT ELIGIBLE TO FURNISH THE SERVICE(S) LISTED IN THIS POLICY.

Not applicable.

MODIFIERS, CPT, HCPCS, AND REVENUE CODES**General Information**

The Current Procedural Terminology (CPT®), Healthcare Common Procedure Coding System (HCPCS), and Revenue codes listed in this policy are for reference purposes only. Including information in this policy does not imply that the service described by a code is a covered or non-covered health service. The inclusion of a code does not imply any right to reimbursement or guarantee of claim payment.

Modifiers

Not applicable

Revenue Codes

This policy applies to facility claims. The provider should use revenue codes that best represent the services provided to the patient.

CPT and/or HCPCS Code(s)

This policy applies to facility claims. CPT/HCPC codes should be appended to revenue codes, as appropriate.

CPT® is a registered trademark of the American Medical Association.

CONDITION CODE

CONDITION CODE	NARRATIVE DESCRIPTION
B4	Admission unrelated to discharge on same day

The B4 condition code should be used when submitting claims for an unrelated hospital readmission that occurs on the same day or next day following a previous inpatient stay.

PAYMENT INFORMATION***UCare Medicare, Individual and Family Plans, and Dually Integrated Products***

For the UCare products listed above inpatient hospital readmission payment guidelines apply to hospital readmissions occurring one (1) through thirty (30) days from a previous inpatient hospital stay.

Minnesota Health Care Programs (MHCP)

For the products listed above the inpatient hospital readmission payment guidelines apply to inpatient hospital readmissions occurring one (1) through fifteen (15) days from a previous inpatient hospital stay.

Inpatient Hospital Readmission Exclusions

Outlined below are the medical conditions or circumstances that are excluded from readmission review.

- Admissions related to the medical treatment of:
 - Cancer;
 - Psychiatric disease;
 - Hospice;
 - Rehabilitation;
 - Neonatal or obstetrical care;
 - Ophthalmic emergencies;
 - Sickle cell crisis;
 - Mental health disorder; and
 - Transplants and transplant related admissions.
- Claims meeting the following criteria will also be excluded from inpatient hospital:
 - Readmissions to a different facility;
 - Planned readmissions;
 - Patient transfers from one acute care hospital to another;
 - Discharges from the hospital against medical advice

Post Payment Review Process

UCare or its contracted third party vendor will be conducting post-payment reviews of applicable inpatient hospital admissions to assess whether the multiple hospital stays should bundle into one hospital confinement.

UCare or its vendor reserves the right to review readmissions and request medical records from the provider to determine if the readmission billed claim was appropriate. If it is determined that the readmission was clinically related to a prior admission within the applicable timeframe, UCare or its vendor will notify the provider of its findings, the reasoning behind the determination, and the timeline to submit medical records.

If the provider fails to respond to the request for medical records within the allotted timeframe or the third party vendor deems the claim(s) should be billed as one hospital confinement, UCare reserves the right to recover monies previously paid on the related readmission claim(s).

BILLING REQUIREMENTS AND DIRECTIONS

This policy applies to inpatient hospital claims submitted using the 837-I format, or the electronic equivalent. Standard billing guidelines for hospital claims should be followed when submitting claims.

PRIOR AUTHORIZATION, NOTIFICATION, AND THRESHOLD INFORMATION**Prior Authorization, Notification, and Threshold Requirements**

UCare does update its' authorization, notification, and threshold requirements from time-to-time. The most current prior authorization requirements can be found [here](#).

RELATED PAYMENT POLICY INFORMATION

OUTLINED BELOW ARE OTHER POLICIES THAT MAY RELATE TO THIS POLICY AND/OR MAY HAVE AN IMPACT ON THIS POLICY.

POLICY NUMBER	POLICY TITLE

SOURCE DOCUMENTS AND REGULATORY REFERENCES

LISTED BELOW ARE LINKS TO CMS, MHCP, AND STATUTORY AND REGULATORY REFERENCES USED TO CREATE THIS POLICY.

[Medicare Quality Improvement Organization Manual, Chapter 4 - Case Review, Section 4240, 4255 \(PDF\)](#)

Medicare Claims Processing Manual, Chapter 3 – [Inpatient Hospital Billing, Section 40.2.5](#)
(Readmissions)

[Social Security Act, §1886\(d\)](#)

[MHCP Provider Manual, Inpatient Hospital Authorizations](#)

DISCLAIMER

“Payment Policies assist in administering payment for UCare benefits under UCare’s health benefit Plans. Payment Policies are intended to serve only as a general reference resource regarding UCare’s administration of health benefits and are not intended to address all issues related to payment for health care services provided to UCare members. When submitting claims, all providers must first identify member eligibility, federal and state legislation, or regulatory guidance regarding claims submission, UCare provider participation agreement contract terms, and the member-specific Evidence of Coverage (EOC) or other benefit document. In the event of a conflict, these sources supersede the Payment Policies. Payment Policies are provided for informational purposes and do not constitute coding or compliance advice. Providers are responsible for submission of accurate and compliant claims. In addition to Payment Policies, UCare also uses tools developed by third parties, such as the Current Procedural Terminology (CPT®*), InterQual guidelines, Centers for Medicare and Medicaid Services (CMS), the Minnesota Department of Human Services (DHS), or other coding guidelines, to assist in administering health benefits. References to CPT® or other sources in UCare Payment Policies are for definitional purposes only and do not imply any right to payment. Other UCare Policies and Coverage Determination Guidelines may also apply. UCare reserves the right, in its sole discretion, to modify its Policies and Guidelines as necessary and to administer payments in a manner other than as described by UCare Payment Policies when necessitated by operational considerations.”