

The Centers for Medicare & Medicaid Services (CMS) 2014 Fiscal Year Inpatient Prospective Payment System Final Rule includes a provision that clarifies Medicare admission and medical review criteria for hospital inpatient services, known as the Two Midnight Rule.

The Two Midnight Rule is intended to help care providers determine whether a Medicare claim should be billed under Part A (hospital insurance – inpatient) or Part B (medical insurance - outpatient).¹ As communicated previously, including in the January 2014 UnitedHealthcare Network Bulletin, UnitedHealthcare will fully integrate the Two Midnight Rule into our Medicare Advantage inpatient management medical necessity review process. Integration of the Two Midnight Rule allows UnitedHealthcare to work with our care providers to meet CMS medical necessity requirements related to inpatient admissions. Integration will occur Oct. 1, 2014.²

Based on the Two Midnight Rule, if the care provider expects the Medicare Advantage member's medically necessary treatment will span less than two midnights, outpatient/observation status is appropriate. If a Medicare Advantage member requires medically necessary hospital care that is expected to span two or more midnights, inpatient admission is appropriate. The Two Midnight Rule does not apply to services CMS designates as inpatient only.

To facilitate integration of the Two Midnight Rule, facilities must provide to UnitedHealthcare, the physician's inpatient admission order, in addition to any other clinical information needed to support hospital stays that span two or more midnights. Please note that facilities that have granted UnitedHealthcare inpatient care managers onsite or remote EMR access do not need to submit clinical information to UnitedHealthcare because our care managers will access this information in the facility's EMR system. Facilities that have fax or telephonic review processes will be required to fax a copy of the care provider's inpatient admission order, when clinical information is requested by the UHC inpatient care manager.

UnitedHealthcare will continue to use evidence-based guidelines to support consistent and clinically valid decision-making for medically necessary hospital stays, in conjunction with the Two Midnight Rule. Facilities and admitting physicians will be expected to use the Medicare inpatient admission criteria as clarified in the Two Midnight Rule when admitting a Medicare Advantage member as an inpatient for medically necessary acute care services.

Care providers are encouraged to work with UnitedHealthcare medical directors to support the provision of evidence-based and medically necessary care for our members. We will continue to work collaboratively with you as we implement the Two Midnight Rule.

Should you have questions, please contact your local market medical director. Contact information can be found on the attached grid.