

Care N' Care Insurance Company of North Carolina, Inc.

Claims Policy Guideline

Procedure Name:	HTA Readmission Policy
Procedure No.:	TBD
Related Policy:	
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Last Review/Revision Date:	
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I. Overview

This policy outlines HealthTeam Advantage's (HTA) Medicare Advantage billing and reimbursement guidelines for acute inpatient hospital readmissions occurring within 30 calendar days of discharge from the same acute general short-term hospital or hospitals within the same hospital system for the same, similar or related diagnosis. HTA evaluates whether a subsequent inpatient stay was both clinically related to the index stay and preventable or represents an unrelated new condition, and processes claims accordingly.

II. Purpose

The purpose of this policy is to ensure accurate, consistent processing of acute inpatient claims, support appropriate reimbursement under Medicare Advantage program rules, and prevent duplicate payments for hospital services that represent complications, sequelae, or continuation of care from a prior hospitalization.

This policy also supports Medicare expectations for appropriate discharge planning and follow-up to reduce preventable readmissions.

III. Definitions

- I. Index Admission – The first qualifying acute inpatient short-term acute hospital stay
- II. Readmission – A subsequent acute inpatient admission occurring within 30 calendar days of discharge from the index stay
- III. Unrelated Readmission - A new acute condition, injury, or diagnosis unrelated to the index stay.

IV. Policy Guidelines

I. Readmission Determination

A readmission is considered clinically related to the index stay when any of the following apply:

- The member in question meets UM Plan high-utilizer or other previously identified frailty risk factor markers for having a higher risk of readmission
- The readmission is for the same, similar, or related condition as the index stay.
- The readmission is due to a complication, infection, or sequela of the care provided during the index admission.
- The patient's signs/symptoms reflect continuation or progression of the underlying condition from the index stay, and the previous hospital discharge can reasonably be construed to have been premature with a high likelihood of predictable readmission to short term acute hospital.
- DRG Auditing contractor will then analyze whether the combination of stays will result in a net savings to the Plan if combined with the previous admission.

A readmission is considered clinically unrelated when:

- The admission is for a new and distinct condition, clearly unrelated to prior care.
- The readmission results from trauma/injury unrelated to prior treatment.
- It is a planned or scheduled admission, such as chemotherapy, staged procedures, or elective surgeries.
- The diagnoses, medical record documentation, and clinical presentation indicate an independent episode of care.

II. Clinical Review Requirements

Medical record review may be required when:

- The diagnosis codes do not provide enough detail to determine relatedness.

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- There are complications, infections, or unexpected returns to the operating room.
- The documentation does not clearly support whether the condition is new or continuing.

V. Billing and Reimbursement Rules

This policy aligns with CMS and includes readmission to the same hospital/same hospital system within 30 days of the initial admission.

Hospital stays are subject to clinical review to determine if the readmission is related to or similar to the initial admission.

When a DRG claim is received for both an initial and subsequent hospital stay and a review determination is made that the stays meet criteria to be combined, the subsequent hospital stay will be denied, and a corrected claim for the combined DRG will need to be submitted.

I. Related Admissions

When a readmission is determined to be related to the index admission:

1. The readmission is not separately reimbursed.
2. The claim may be bundled into the index stay, denied, or adjusted, depending on billing circumstances.
3. HTA will use generic denial language (no specific CARC/RARC required).
4. Providers must submit medical records when requested; the readmission review will not proceed without the member's clinical records.

II. Unrelated Readmissions

1. When the readmission is clinically unrelated:
2. The admission is processed as a separate inpatient stay.
3. Reimbursement follows the applicable HTA contract and Medicare Advantage rules.
4. Prior authorization rules continue to apply.

VI. Exclusions

Readmissions will not be treated as related when any of the following apply:

1. Trauma or unrelated injury
2. New diagnosis unrelated to the index stay
3. Scheduled/staged procedures
4. Planned admissions (e.g., chemo cycles, infusions, pre-planned surgeries)
5. Obstetric admissions
6. Psychiatric or substance abuse admissions not related to prior care
7. Hospice admissions
8. Transfers between facilities
9. Admissions where the patient left Against Medical Advice (AMA)

I. Prior Authorization

This policy does not replace or modify HTA's prior authorization or concurrent review requirements. These requirements apply independently of readmission review.

References:

- CMS Medicare Benefit Policy Manual (Pub. 100-02), Chapter 1 – Inpatient Hospital Services
- CMS Medicare Claims Processing Manual (Pub. 100-04), Chapter 3 – Inpatient Claims and DRG Payment
- CMS Managed Care Manual (Pub. 100-16), Chapter 4 – Benefits and Beneficiary Protections
- CMS Managed Care Manual (Pub. 100-16), Chapter 11 – Claims Processing

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- 42 CFR §482.43 – Discharge Planning Requirements
- MLN Booklet: “Inpatient Hospital Services” (ICN 006815)
- MLN Booklet: “Hospital Discharge Planning”
- MLN Fact Sheet: “Avoiding Hospital Readmissions”

VII. Policy History

Status	Date	Action
New		
Reviewed		