

Report on Medicare Compliance Volume 27, Number 33. September 17, 2018

IMMs Show Intent to Admit When Orders Are Missing; Hospitals Have to Find Comfort Zone

By Nina Youngstrom

The Important Message from Medicare (IMM) may play an elevated role in Medicare compliance now that CMS has loosened its grip on physician admission orders. The 2019 inpatient prospective payment system (IPPS) regulation, which takes effect Oct. 1, allows Medicare Part A payment for medically necessary inpatient stays without an admission order as long as there's other documentation to support the medical necessity in the medical record, and the IMM is one way to show the physician and hospital intended to admit the patient (RMC 8/6/18, p. 1).

"If patients are given the IMM and they signed the form, the lack of order is less important," says Ronald Hirsch, M.D., vice president of regulations and education at R1 Physician Advisory Services. "The admission was effectuated" if patients received the IMM, which explains their discharge appeal rights (RMC 12/11/17, p. 1).

Hospitals have been trying to parse the implications of CMS dropping the order requirement as a condition of payment because the IPPS regulation is far from crystal clear. On the one hand, the regulation removed the sentence from 42 CFR 412.3(a) that "a physician order must be present in the medical record and be supported by the physician admission and progress notes, in order for the hospital to be paid for hospital inpatient services under Medicare Part A." But in a brain-scrambling way, CMS repeatedly asserted that "the physician order remains a requirement for purposes of reflecting a determination by the ordering physician or other qualified practitioner that hospital inpatient services are medically necessary, initiating the inpatient admission."

It seems like a contradiction, except that CMS explained it is troubled that orders have played an outsize role in audits since Oct. 1, 2013, when orders were required with the two-midnight rule. "It was not our intent when we finalized the admission order documentation requirements that they should by themselves lead to the denial of payment for medically reasonable and necessary inpatient stays, even if such denials occur infrequently," the 2019 regulation states.

This document is only available to subscribers. Please log in or purchase access.

[Purchase Login](#)