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Final IPPS Rule: Admission Orders Aren't Required for Part A Payment in Terms of Denials

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Physician orders won't make or break claims for medically necessary inpatient admissions anymore, but they are still required, according to the final inpatient prospective payment system (IPPS) regulation announced Aug. 2. CMS said its auditors will no longer insist on a written admission order for Medicare Part A payment, although "hospitals and physicians are still required to document relevant orders in the medical record to substantiate medical necessity requirements."

Think of it this way: Hospitals need physician admission orders for Part A payment, but when they don't have them, there's a good chance they'll still get paid.

"I don't think this changes anything providers have to do. It's very clear CMS intends the physician order to still be required," says Edward Hu, president of the American College of Physician Advisors. "It will just prevent a few denials based purely on the technical deficiencies of the inpatient order." The upshot: CMS is directing auditors not to deny claims based solely on missing or defective orders if the hospital stay and the services are medically necessary, Hu says.

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