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CMS: Hospitals Need Proof of Positive COVID-19 Test to Get 20% Medicare MS-DRG Bonus

By Nina Youngstrom

Starting Sept. 1, hospitals will lose the 20% Medicare bonus for treating inpatients with COVID-19 unless there's proof of a positive COVID-19 lab test, CMS said in an Aug. 17 *MLN Matters* (SE20015 Revised).^[1] A presumptive positive test based on the physician's diagnosis of symptoms won't be good enough to generate the additional money. The positive test results must be in the medical records, and hospitals could face post-payment reviews later, CMS said. The challenge with this requirement is there's no way at the moment for hospitals to indicate on claims for COVID-19 when it was diagnosed and treated without a positive test, and they may have to hold claims until that's sorted out, experts say. They also may have to track down documentation of tests that were performed outside the hospital shortly before admission.

The coding guidelines haven't changed, and physicians will continue to diagnose patients with COVID-19 based on their clinical judgment (with or without a positive test), and hospitals will assign MS-DRGs the usual way, said Leslie Slater, a specialist leader with Deloitte Risk and Financial Advisory in New York City. What's new is when there's no documentation of the test results, no test was performed or it's negative (whether or not the physician believes it's a false negative), the Medicare Pricer software won't apply the 20% increase to claims with ICD-10 U07.1 (COVID-19) for admissions starting Sept. 1.

"Coders still code as they have been. We would still code the presumptive diagnosis as COVID," Slater said. "But if the hospital doesn't have documentation of the positive test result, that claim will not qualify for the 20% increase."

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