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First CMS Audit of 20% Bonus for COVID-19 Inpatients Gets Underway

By Nina Youngstrom

CMS's first medical review of the 20% add-on payment for treating COVID-19 inpatients is underway, and hospitals should keep their eyes peeled for documentation requests. The audit is not touching on the Sept. 1 requirement for proof of a positive lab test to qualify for the 20% Medicare bonus, but probably will sooner rather than later. There's a twist, as coders and clinical documentation improvement (CDI) specialists increasingly find documentation of positive coronavirus tests in the medical records without a corresponding diagnosis because patients have recovered and their physicians don't believe they're contagious, experts say.

CMS's supplemental medical review contractor (SMRC), Noridian Healthcare Solutions, will do postpayment medical reviews of MS-DRG claims with a diagnosis code of U07.1 (COVID-19) for billing dates of service of April 1 through Aug. 30, 2020, according to an Oct. 15 post on its website.^[1] The diagnosis code guarantees the Medicare 20% bonus through the end of the public health emergency. It was authorized by the Coronavirus Aid, Relief, and Economic Security (CARES) Act, and applies to discharges dating back to Jan. 27, said Kristen Shattuck, a specialist leader in the CDI practice at Deloitte in Phoenix, Arizona. CMS recently decided, however, that for program integrity reasons, hospitals will lose the add-on payment unless there's documentation of a positive COVID-19 test, effective Sept. 1,^[2] although they still receive the MS-DRG payment based on the physician's diagnosis.^[3]

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