



Acute Pre-Cert: Policy Change to the Deemed Inpatient at 24 hours Policy

Effective with the dates of service on or after August 30, 2010 this policy will revise the current 24 hour Inpatient/Outpatient policy found in the Hospital Provider Manual, Chapter 5 page 5-2, reissued September 1, 1999.

A patient will no longer be “deemed” inpatient once outpatient services exceed 24 hours. It was never Medicaid’s intention to give a blanket approval for the first 24 hours on any stay where medical necessity for inpatient care is not met. Physicians responsible for a patient’s care at the hospital are responsible for deciding whether the patient should be admitted as an inpatient. Physicians should use a 24-hour period as a benchmark, i.e., they should order admission for patients who are expected to need hospital care for 24 hours or more, and treat other patients on an outpatient basis. However, the decision to admit a patient is a complex medical judgment which can be made only after the physician has considered a number of factors. Admissions of particular patients are not covered or non-covered solely on the basis of the length of time the patient actually spends in the hospital.

Medicaid will now reimburse up to 30 medically necessary hours for a patient to be in an outpatient status. This time frame is for the physician to observe the patient and to determine the need for further treatment, admission to an inpatient status or for discharge.

The hospital should only register a patient with a PCF01 for inpatient status if there is medical necessity per InterQual criteria present for an inpatient admission. Place of treatment (Inpatient vs. Outpatient) should be based on medical necessity for inpatient care and not on reimbursement maximization. There also must be a physician order for inpatient status on the medical record.

All claims are subject to post payment review by Program Integrity.