



Listening Session:



Future educational materials regarding site selection for procedures newly removed from the Inpatient Only List

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Overview

- **Inpatient Only (IPO) List (10 mins)**
 - Background
 - Criteria for removing procedures
 - CY 2022 Policy Changes to IPO list
- **Post-payment review & IPO Policy (10 Mins)**
 - General payment requirements
 - BFCC-QIO 2-Midnight Review
 - RAC Review
- **Open feedback from today's participants regarding future educational materials (40 mins)**

What is the IPO List

- A list of services that Medicare will only make payment for when furnished in an inpatient setting due to the nature of the procedure, the underlying physical condition of the patient, or the need for at least 24 hours of postoperative recovery time or monitoring
- Services can be removed or added to the IPO list through rulemaking
- Addendum E- HCPCS Codes that Would Be Paid Only as Inpatient Procedures

Criteria for Removal from the IPO List

A service does not need to meet all of the criteria below to be removed from the IPO list. It should meet at least one criterion, with the case for removing the service strengthened the more criteria the service meets.

1. Most outpatient departments are equipped to provide the services to the Medicare population.
2. The simplest procedure described by the code may be performed in most outpatient departments.
3. The procedure is related to codes that we have already removed from the IPO list.
4. A determination is made that the procedure is being performed in numerous hospitals on an outpatient basis.
5. A determination is made that the procedure can be appropriately and safely performed in an ASC, and is on the list of approved ASC procedures or has been proposed by us for addition to the ASC list.

42 CFR 419.23(b)

CY 2022 OPPS Rule IPO List Changes

- Halted the elimination of the IPO list that was finalized in CY 2021 and returned the majority of services removed from the IPO list in CY 2021.
- Restored the two-year exemption from BFCC–QIO referral to RACs and RAC “patient status” review of the setting for procedures removed from the IPO list and performed in the inpatient setting
- Stated this would be an adequate amount of time to allow providers to gain experience with application of the 2-Midnight rule to these procedures and the documentation necessary for Part A payment for those patients for which the admitting physician determines that the procedures should be furnished in an inpatient setting.

Post-Payment Review – General Payment Requirements

Post payment Review: Review of claims after payment for appropriate payment.

CMS Contractors request Medical Records and review them to ensure they meet certain requirements to be payable by Medicare.

- **Medical Necessity:** The medical record must contain documentation that health care services or supplies provided were needed to diagnose or treat an illness, injury, condition, disease, or its symptoms and that they meet accepted standards of medicine. (www.medicare.gov)
- **Physician Certification:** The signed physician certification is considered, along with other documentation in the medical record is evidence that hospital inpatient service(s) were reasonable and necessary. (Medicare Benefit Policy Manual, Ch. 1)

Post-Payment Review – General Payment Requirements

Documenting clinical decisions: the right patient, procedure, and location

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:

- Patient's medical history and current medical needs,
- Types of facilities available to inpatients and to outpatients,
- Hospital's by-laws and admissions policies, and the
- Relative appropriateness of treatment in each setting

Post-Payment Review – General Payment Requirements

Documenting clinical decisions: the right patient, procedure, and location

Factors to be considered when making the decision to admit include:

- Severity of the signs and symptoms exhibited by the patient;
- Medical predictability of something adverse happening to the patient;
- Need for diagnostic studies that appropriately are outpatient services (i.e., their performance does not ordinarily require the patient to remain at the hospital for 24 hours or more) to assist in assessing whether the patient should be admitted; and
- Availability of diagnostic procedures at the time when and at the location where the patient presents.

Post Payment Review – BFCC-QIO Review Process

During the Exemption Period - Process for procedures newly removed from IPO list

- BFCC-QIOs will continue to review claims for procedures in order to educate practitioners and providers.
- BFCC-QIOs will not deny these claims for site of service payments
- BFCC-QIOs will not make referrals to the RACs for persistent non-compliance with the 2 MN rule

Outside of the Exemption period – Process for procedures not on the IPO list

- BFCC-QIO will deny services for non-compliance with the 2-midnight rule
- BFCC-QIOs may refer providers to the RACs for persistent noncompliance with Medicare payment policies

Post-Payment Review – RAC Review Process

What does a Recovery Audit Contractor (RAC) do?

RAC's review claims on a post-payment basis. The RAC's detect and correct past improper payments so that CMS and Carriers, FIs, and MACs can implement actions that will prevent future improper payments.

During the Exemption Period - Process for procedures newly removed from IPO list

- RACs will not review for “patient status” (that is, site-of-service)
- RACs will not receive referrals from BFCC-QIOs

Outside of the Exemption period – Process for procedures not on the IPO list

- RAC will conduct “patient status” (that is, site-of-service) reviews

Feedback from Participants

For documenting *site of service* decisions for procedures newly removed from the IPO list:

How can CMS develop education that will be helpful to you?

- Are there specific procedure sets that should be the focus?
- Who should be the target audience for these materials?
- What aspects of documentation would be helpful to cover?
- Which educational formats and media would be most helpful?

Thank you for Participating!

**You may submit additional feedback
on future educational materials to:**

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