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Acute Inpatient Hospital Admission Guidelines

A. Introduction

This appendix is intended to help providers make appropriate decisions about the medical necessity of acute inpatient hospital admissions. These guidelines have been approved by physicians from several medical specialties who have active practices in Massachusetts. Providers making decisions on whether to admit a member as an inpatient should use their medical judgment and these guidelines. Services that meet medical-necessity criteria at 130 CMR 450.204 and the rules governing reimbursement of inpatient, outpatient, and observation services in 130 CMR 410.414 (see section D of this appendix) and 415.414 are reimbursable by MassHealth.

B. Definitions for Inpatient, Observation, and Outpatient Services

The reimbursability of services defined below is not determined by these definitions, but by application of the MassHealth regulations in 130 CMR 410.000, 415.000, and 450.000.

Inpatient Services — medical services provided to a member admitted to an acute inpatient hospital.

Observation Services — outpatient hospital services provided anywhere in an acute inpatient hospital, to evaluate a member's condition and determine the need for admission to an acute inpatient hospital. Observation services are provided under the order of a physician, consist of the use of a bed and intermittent monitoring by professional licensed clinical staff, and may be provided for more than 24 hours.

Outpatient Hospital Services — medical services provided to a member in a hospital outpatient department. Such services include, but are not limited to, emergency services, primary-care services, observation services, ancillary services, day-surgery services, and recovery-room services.

Outpatient Services — medical services provided to a member in an outpatient setting including but not limited to hospital outpatient departments, hospital-licensed health centers, physicians' offices, nurse practitioners' offices, freestanding ambulatory surgery centers, day treatment centers, or the member's home.

C. Admission Guidelines

The following guidelines describe admissions that generally are not medically necessary. This is not an all-inclusive list. The MassHealth agency or its agent may also determine that other admissions not characterized in this list are medically unnecessary and nonreimbursable on an inpatient basis.

1. The admission occurs following observation services, and the admitting provider has not documented at least one of the following in the medical record at the time the decision to admit is made:
 - Failure to respond to outpatient treatment and a clear deterioration of the patient's clinical status;
 - a significant probability that the treatment plan will continue to need frequent clinical modifications and what specific modifications are necessary;
 - instability of the patient that is a deviation from either normal clinical parameters or the patient's baseline; or
 - a requirement for more intensive services than were already being delivered while the patient was on observation status, and a physician's order for each specific new service.

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2. The admission occurs when the member's condition had improved significantly in response to outpatient treatment with a progression toward either normal clinical parameters or the member's baseline.
3. The admission is for further monitoring or observing for potential complications when the member undergoes a procedure that is appropriately performed in an outpatient setting according to the current standards of care, the procedure is performed without complications, and the member's clinical status is approaching either normal clinical parameters or his or her baseline.
4. The admission is primarily for providing or monitoring the services and treatment of a member with multiple or complex medical needs whose needs were adequately being met in a setting other than an acute inpatient hospital prior to that admission.
5. The admission of a member whose baseline clinical status is outside of the normal clinical parameters and whose condition has been managed successfully on an outpatient basis, when the admission is based primarily on the member's abnormal status, unless that status has significantly deteriorated.
6. The admission is primarily to observe for the possible progression of labor when examination and monitoring does not indicate definite progression of active labor leading to delivery.
7. The admission is primarily for education, teaching, minor medication changes and/or monitoring, or adjustment of therapies associated with a medically stable condition(s).
8. The admission is primarily because the member requires sedation or anesthesia in order to conduct diagnostic tests that are appropriately performed in an outpatient setting according to the current standards of care, when there are no serious complications requiring inpatient services.
9. The admission of a member whose baseline condition requires the use of complex medical technology, when the admission is primarily due to the need for such technology or other maintenance services related to the pre-existing medical condition(s), unless the member's condition is significantly deteriorating.
10. The admission is primarily for a continuation of treatment or monitoring that has already been delivered effectively in the home, hospital outpatient department, or other institutional setting.
11. The admission of a member who is a patient or resident in another institutional setting, and is admitted primarily for diagnostic or treatment services that could have been provided in the member's current institutional setting or by using outpatient services.
12. The admission of a member who has simple, uncomplicated, outpatient surgery and is being admitted primarily because of the time of day or the need for postoperative observation.

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13. The admission is primarily due to the:

- amount of time a member has spent as an outpatient in a hospital or other outpatient setting;
- time of day a member recovers from outpatient surgery;
- need for education of the member, parent, or primary caretaker;
- need for diagnostic testing or obtaining consultations;
- need to obtain medical devices or equipment or arrange home care or other noninstitutional services;
- age of the member;
- convenience of the physician, hospital, member, family, or other medical provider;
- type of unit within the hospital in which the member is placed; or
- need for respite care.

D. Observation Services

[excerpted from the MassHealth outpatient hospital regulations at 130 CMR 410.414]

Reimbursable Services. The Division covers medically necessary observation services provided by acute inpatient hospitals. Reimbursable observation services may exceed 24 hours, and do not need to be provided in a distinct observation unit. To qualify for reimbursement of observation services, the medical record must specifically document when those services began and ended, the purpose of observation, and the name of the physician who ordered it. Acute inpatient hospitals will be reimbursed for these observation services on an outpatient basis in accordance with the signed provider agreement with the Division.

Nonreimbursable Services.

- (1) Nonreimbursable observation services include but are not limited to:
 - (a) services that are not reasonable or necessary for the diagnosis or treatment of the member; and
 - (b) routine preparation and recovery services associated with diagnostic testing or outpatient surgery.
- (2) The following services are not reimbursable as a separate service:
 - (a) postoperative monitoring during a standard recovery period that should be characterized as recovery-room services; and
 - (b) observation services provided concurrently with therapeutic services such as chemotherapy.

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