



Center for Clinical Standards and Quality/ Quality Improvement and Innovation Group

Ref: BFCC-QIO 2 Midnight Claim Review Guideline

DATE: March 23, 2022

TO: CMS Beneficiary and Family Centered – Quality Improvement Organizations, CMS claim review contractors, Hospitals, Admitting Physicians and Practitioners.

FROM: Director, Quality Improvement and Innovation Group (iQIIG)

SUBJECT: Two-Midnight Claim Review Guideline for the BFCC-QIO Short Stay Hospital Inpatient Claim Review Process

Memorandum Summary

CMS is posting historical references and a claim review guideline related to the Beneficiary and Family Centered Care Quality Improvement (BFCC-QIO) contractor post-payment review of Short Stay Hospital inpatient claims. These documents may serve as helpful resources for other CMS claim review Contractors, Hospitals, Admitting Physicians and Practitioners.

Background

CMS established the 2-midnight rule in the FY 2014 Hospital IPPS Final Rule published on August 19, 2013 (78 FR 50495) to provide additional clarity regarding when an inpatient admission is payable under Part A. Beneficiary and Family Centered Care Quality Improvement Organization (BFCC-QIO) contractors began post-payment review of Short Stay Hospital inpatient claims in 2015. In May 2016, CMS published the BFCC-QIO 2 Midnight claim review guideline, which is included as an Attachment to this memo. BFCC-QIO nurse and physician reviewers must review the medical record for the short stay claim dates of service and apply the steps within the BFCC QIO two-midnight claim review guideline when reviewing Short-Stay hospital inpatient claims for compliance with the 2-midnight rule.

Medicare policy changes frequently so links to the source documents have been provided within the document for your reference.

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Attachment: BFCC QIO 2 MIDNIGHT CLAIM REVIEW GUIDELINE

References

- ❖ Hospital Inpatient Prospective System FY 2014 Final Rule (CMS-1599-F) published August 19, 2013.
78 FR 50495-51040 located at -- <https://www.govinfo.gov/content/pkg/FR-2013-08-19/pdf/2013-18956.pdf>
- ❖ Hospital Inpatient Admission Order and Certification – (published September 05, 2013)
<https://www.cms.gov/medicare/medicare-fee-for-service-payment/acuteinpatientpps/downloads/ip-certification-and-order-09-05-13.pdf>
- ❖ Reviewing Short Stay Hospital Claims for Patient Status: Admissions On or After January 1, 2016 (published 12/31/2015) <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Medical-Review/Downloads/Reviewing-Short-Stay-Hospital-Claims-for-Patient-Status.pdf>
- ❖ Clarifying Medical Review of Hospital Claims for Part A Payment - MLN Matters Number: MM10080 Revised on January 9, 2019
<https://www.cms.gov/Outreach-andEducation/Medicare-LearningNetworkMLN/MLNMattersArticles/downloads/MM10080.pdf>
- ❖ The CMS Fact Sheet: Two-Midnight Rule is available at
<https://www.cms.gov/newsroom/fact-sheets/fact-sheet-two-midnight-rule-0>.
- ❖ Medicare Benefit Policy Manual, Chapter 1 §10.2 – Hospital Inpatient Admission Order and Certification <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c01.pdf>
- ❖ Medicare Benefit Policy Manual, Chapter 6 §20.6 - Outpatient Observation Services
<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c06.pdf>
- ❖ Medicare Claims Processing Manual, [Chapter 4](#), §290 -Observation Services
- ❖ Total Knee Arthroplasty (TKA) Removal from the Medicare Inpatient-Only (IPO) List and Application of the 2-Midnight Rule

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SE19002 <https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/SE19002.pdf>

- ❖ Hospital Outpatient Regulations and Notices (OPPS)
<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Hospital-Outpatient-Regulations-and-Notices.html>
- ❖ Hospital inpatient prospective payment system rules (IPPS)
<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/index.html>

Contact: Questions about this memorandum should be addressed to shortstayreview@cms.hhs.gov

/s/
iQIIG Director

cc: Quality Improvement and Innovation Group Management

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