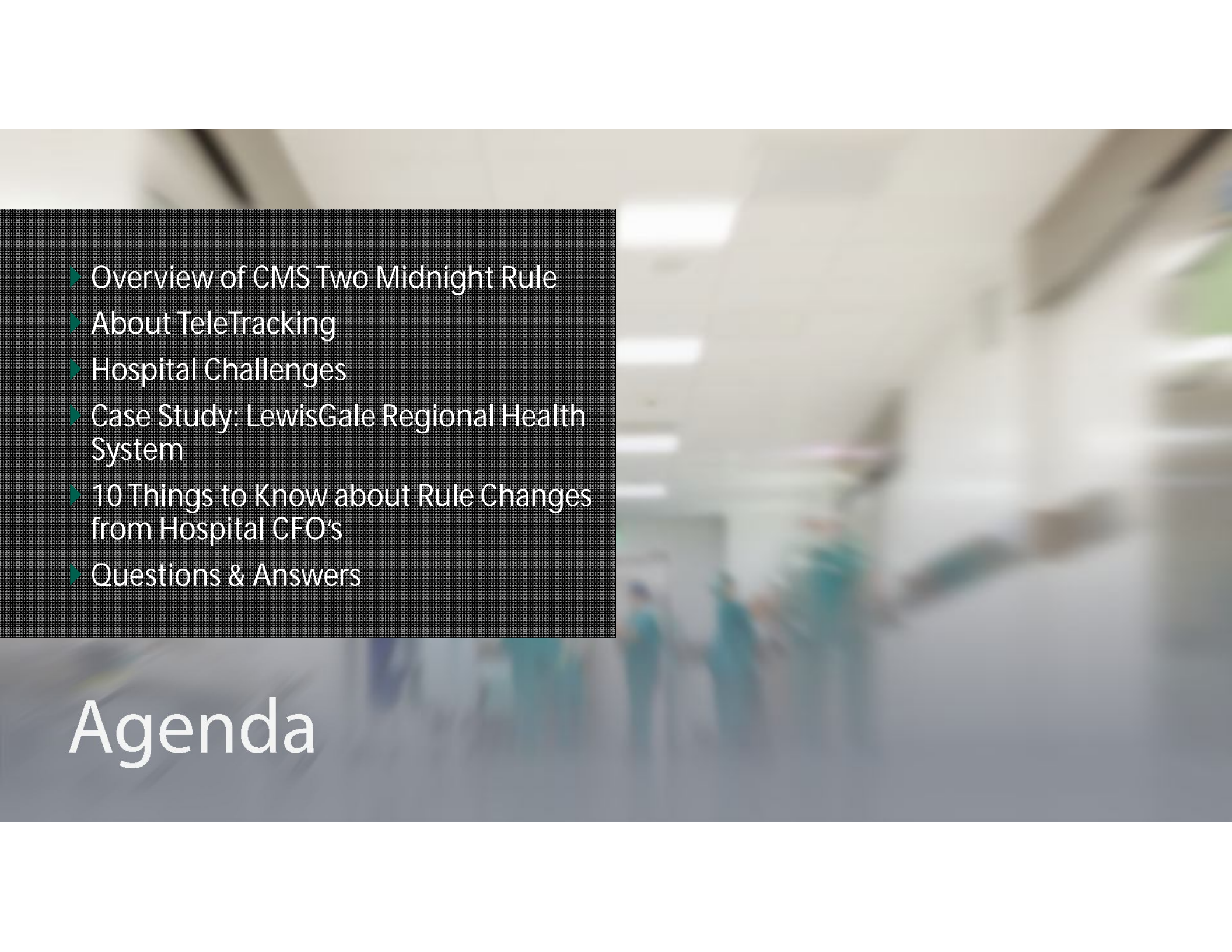




CMS Two-Midnight Rule: Managing Impact and Compliance

Presented by: Bob Herman | Nanne M. Finis, RN, MS | Rodger Fletcher

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- A blurred background image of a hospital hallway. In the center, a person in teal scrubs is walking away from the camera, carrying a white tray. The hallway has white walls, a grey floor, and recessed ceiling lights. The image is out of focus, emphasizing the foreground text.
- ▶ Overview of CMS Two Midnight Rule
 - ▶ About TeleTracking
 - ▶ Hospital Challenges
 - ▶ Case Study: LewisGale Regional Health System
 - ▶ 10 Things to Know about Rule Changes from Hospital CFO's
 - ▶ Questions & Answers

Agenda



Overview of 2 Midnight

Basics Behind the Rule

- ▶ Inpatient Stays vs. Outpatient or Observation Stay
- ▶ July 2013 Office of Inspector General (OIG) Report

CMS and Congress Weigh In

- ▶ CMS and Congress concern
- ▶ CMS: Some short inpatient stays may be inappropriate
- ▶ Congress: Worries beneficiaries may be paying more with observation status

OIG (Office of Inspector General) Study

- ▶ OIG: Hospitals provided 1.5 million observation services under Medicare in 2012
- ▶ 92% of beneficiaries in observation spent at least one night in the hospital
- ▶ Medicare paid nearly 3 times more for short inpatient stays than observation stays
- ▶ Beneficiaries paid more for short inpatient stays

CMS Final Ruling

- ▶ CMS released final rule for FY 2014 inpatient prospective payment system
- ▶ 'Appropriate' inpatient admit...stay of 2 midnights or more
- ▶ Less than 2 midnights would not qualify
- ▶ Paid as an outpatient instead



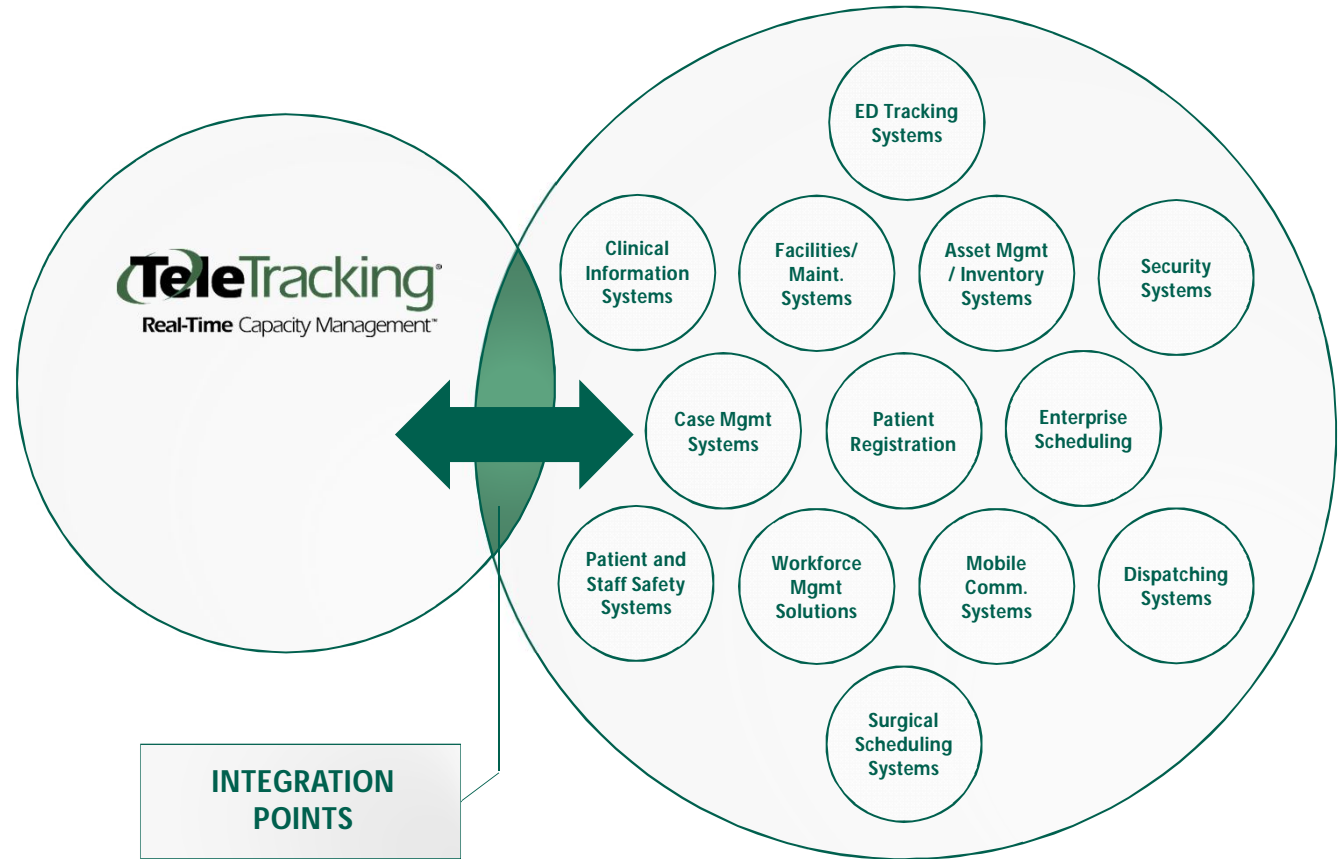
About TeleTracking

Corporate Vision

TELETRACKING drives **EFFICIENT CARE DELIVERY** and **ELIMINATES WASTE** in healthcare systems.

An Operational Platform In Harmony

Successfully
integrated or
partnered with
more than
60
vendors/systems





Hospital Challenges

Challenges Across Hospitals



- ▶ Significant **rise in number of observation patients** over last several years
- ▶ **Planning for care episode and discharge** from hospital is critical to capacity management & efficiency
- ▶ **Medical necessity** for inpatient stays **must be documented** comprehensively
- ▶ Increasing dependency upon **interdisciplinary plan of care**

Challenges Across Hospitals (cont'd)



- ▶ **Estimated length of stay** begins with care initiation and...**evidence of physician decision is required**
- ▶ **Reliable internal reports** to be designed and readily available
- ▶ **Limited resources** and **visibility** to ensure that hospital is properly reimbursed for care

Physician Involvement

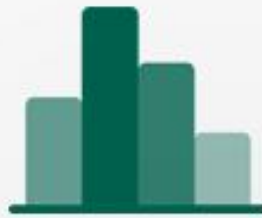
- ▶ Stephanie Kitt, Director, Clinical Documentation, Utilization, and Coding| Northwestern Memorial Hospital, Chicago, IL
 - ▶ Physician involvement is imperative and critical to success!

What Does it Mean to be Real-Time?

PATIENT TRACKING PORTAL UNIT-LEVEL VISIBILITY & ACCOUNTABILITY



Dashboards to allow you to **manage** your **processes & workflows minute-by-minute** making choices that **impact** your business performance in **real-time**



Reporting and analytics to **measure** that activity, after the fact, **for accountability**

**REAL-TIME INFORMATION
TO ALL STAKEHOLDERS IN
THE CARE CONTINUUM**



Case Study / Solutions

Case Study: LewisGale Regional Health System in Salem, Virginia

▶ Challenges:

- ▶ **To identify patients**, prior to discharge, **that could be audited** for two-midnight rule to ensure admission order was correct
- ▶ **Limited resources to manage documentation** for large number of Medicare patients
 - ▶ Less than 15 case managers // Over 100 Medicare patients at a time
- ▶ **Wanted to enlist support** from nursing and patient placement / transfer center

Case Study: LewisGale Regional Health System in Salem, Virginia

▶ Challenges:

- ▶ Reports from either case management system or EMR that **didn't reflect the real-time situation**
- ▶ Reports would be run over and over again but were **always out of date**
- ▶ **Only case management could check the documentation system** in real-time so the benefit of the 'all hands on deck' objective was lost

Case Study: LewisGale Regional Health System in Salem, Virginia

- ▶ Solution:

- ▶ **“All-Hands On Deck Approach”**

- ▶ **Real-time, at-a-glance access to patient status** for all patient documentation stakeholders

- ▶ Case management, nursing, placement / transfer center

Case Study: LewisGale Regional Health System in Salem, Virginia

▶ Solution:

- ▶ **Payer profile data is integrated** in TeleTracking's Capacity Management Suite™ system
- ▶ **Displayed as a patient attribute** on TeleTracking's PatientTracking Portal™ view
- ▶ **Nursing can** now update the portal to **indicate they've checked for up-to-date documentation** prior to a patient's discharge

BED	NAME	PROJ	DIS...										
301A													
301B	MOR,JES	12/04	13:50										
302A	PIR,JEN	12/04	09:08										
302B	BOW,MIC	12/03	13:43										
303A	ARG,PAU	12/05	09:18										
304A	EWI,JON	12/03	19:15										
305A	WHI,MAR	12/05	01:03										
306A	SUE,BRE	12/04	12:05										
306B													



Observations and Analysis

MAC, RAC and Medicare Auditor Reviews

- ▶ Qualifications for MAC and RAC review
- ▶ Qualifications for Medicare auditor reviews
- ▶ Critical access hospitals are exempt from these reviews

Considerations for Reviews

- ▶ No compliance issues? MAC will stop probe reviews from Oct. 1st to March 31st
- ▶ Medicare auditors will base their reviews off of information available to physician at admission
- ▶ Circumstances for rebilling for inpatient services
- ▶ Additional reviews for hospitals MACs identify as having moderate to major concerns
- ▶ Determining whether a claim meets the Two-Midnight Rule: Outpatient care

CMS and Future of the Rule

- ▶ CMS intends to work with hospital industry and MACs regarding inpatient issues
- ▶ Physician documentation is crucial
- ▶ CMS educational outreach efforts in 2014
- ▶ CMS expects final rule will result in an increase of 40,000 inpatient admissions



Question/Answer

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Thank You