

Medical Policy # MP006**Policy Title: Hospitalization Classification and Review****Date Revised: May 29, 2008****Date approved by Q&UM Committee: August 5, 2008****Background: To outline criteria used to classify hospitalizations as Inpatient Care or Observation Care. Also outlines circumstances under which hospital days and physician compensation may be denied.****Hayes Technology Assessment Rating: N/A****Coverage Policy:**

1. Welborn Health Plans members who are hospitalized may be classified as Inpatient or Observation.
2. Members admitted and discharged alive in 48 hours or less will be classified at the Observation level of care, unless transferred to a tertiary care facility, or unless prior authorized at the Inpatient level of care.
3. Members who do not meet Milliman Criteria for acute inpatient level will be classified as Observation.
4. In order to be classified as Inpatient, the member's care must meet Milliman Inpatient Criteria.
5. Inpatient charges will begin on the day and hour when the patient is physically on the inpatient unit.
6. Interim denied days are applicable in the following situations.
 - a. Delay in service. When a service is delayed for any reason and not performed in an effective efficient time frame. This may include but is not limited to no procedures performed on weekends or holidays or after usual business hours, MD scheduling, Facility scheduling, consulted physician not on call or available .
 - b. Delay in discharge. Member meets discharge criteria as outlined by Milliman guidelines for acute level of care and member remains in the current setting to which he/she was admitted. This may also apply to screenings that need to be done prior to discharge for SNF placement.
 - c. Does not meet acute level of care. Member meets a different level of care other than what is currently listed which would include but not limited to meeting ICU, SNF, Hospice, LTACH, rehab or discharge with home health levels of care.

- d. Denied interim days may or may not affect DRG payment until/unless outliers are met.
7. Physician billed charges may be denied:
- a. When a delay in service or delay in discharge, all MD billed charges are denied with the exception of pathology and/or radiology.
 - b. Billed charges will be denied for those MD's required by contractual agreement to utilize hospitalist services for admissions, whether acute or observation.
8. Any and or all decisions/approvals/denials are the discretion of the CMO after review of clinical data via case manager, medical records or any other source of information.