15.3 Notification to Members of Non-Coverage of Inpatient Hospital Care – Medicare

Where Healthfirst has authorized coverage of the inpatient hospital admission of a Medicare member, either directly or by delegation (or the admission constitutes emergency or urgently needed care), Healthfirst is required to issue the member a written notice of non-coverage only under the circumstances described below.

Hospital Discharge Notification Process

In late 2006, the Centers for Medicare and Medicaid Services (CMS) issued a final rule regarding the hospital discharge notification process for Medicare Advantage beneficiaries, effective July 1, 2007.

The prior Medicare Advantage process required hospitals to issue a Notice of Discharge and Medicare Appeals Rights (NODMAR). Under the final rule, the NODMAR has been replaced by a two-step notification process where Medicare beneficiaries are notified that services will be discontinued and/or their original Medicare or Medicare Advantage Plan will no longer pay for their benefits. Healthfirst delegates the issuance of discharge notices to all of its contracted hospitals.

Effective July 1, 2007, hospitals must:

- Issue a revised version of the Important Message from Medicare About Your Rights (IM) (see Appendix XIII) and explain discharge rights to beneficiaries within two (2) calendar days of admission. They must also obtain the signature of the beneficiary or his/her representative's. If a member refuses to sign the notice, the hospital must annotate the refusal.
- Deliver a copy of the signed notice not more than two (2) calendar days prior to discharge. In short-stay situations, when inpatient stays are five (5) days or less, hospitals are not required to deliver a follow-up notice as long as the initial notice was delivered within two (2) calendar days of discharge.
- If a member disputes (appeals) the discharge and contacts the Quality Improvement Organization (QIO) for an immediate review, Healthfirst will complete and fax the Detailed Notice of Discharge (DNOD) to the hospital administrator or nursing director on duty (the member's medical record must be faxed to Healthfirst by 4pm that day). The hospital **must** deliver a copy of the DNOD to the member. **The hospital may not create its own DNOD and deliver it to the member without Healthfirst's approval.** Healthfirst will also fax a copy of the DNOD to the QIO for review and/or an expedited reconsideration. The QIO and/or Healthfirst will work with the hospital and attending physician to determine if discharge is appropriate.

If an appeal occurs during a weekend, a Healthfirst Care Manager will contact the nursing office or hospital administrator on duty to facilitate the delivery of the Detailed Notice of Discharge.

Template documents to be used for this new process are available on the CMS website at www.cms.hhs.gov/BNI/12_HospitalDischargeAppealNotices.asp#TopOfPage.

For additional information, please visit our website at www.healthfirst.org/providerservices.

Requesting Immediate Quality Improvement Organization (QIO) Review of Inpatient Hospital Care

A member remaining in the hospital who wishes to appeal the Healthfirst discharge decision that inpatient care is no longer medically necessary must request an immediate QIO review of the determination in accordance with CMS requirements. A member will not incur any additional financial liability if he/she:

- Remains in the hospital as an inpatient;
- Submits the request for immediate review to the QIO that has an agreement with the hospital;
- Makes the request either in writing, by telephone, or by fax; and

- Makes the request before the end of the day of discharge.

The following rules apply to the immediate QIO review process:

- On the date that the QIO receives the member's request, the QIO must notify Healthfirst that the member has filed a request for immediate review.
- Healthfirst and/or the hospital must supply any information that the QIO requires to conduct its review. This must be made available by phone, by fax, or in writing by the close of business of the first full working day immediately following the day the member submits the request for review.
- In response to a request from Healthfirst, the hospital must submit medical records and other pertinent information to the QIO by close of business of the first full working day immediately following the day Healthfirst makes its request.
- The QIO must solicit the views of the member who requested the immediate QIO review.
- The QIO must make an official determination of whether continued hospitalization is medically necessary and notify the member, the hospital, and Healthfirst by close of business of the first working day after it receives all necessary information from the hospital, Healthfirst, or both.

A member who fails to request an immediate QIO review in accordance with these requirements may file a request for an expedited appeal with Healthfirst. Healthfirst is encouraged to expedite the request for an expedited appeal. Likewise, the QIO is encouraged to expedite a request for immediate QIO review if received beyond the noon (12pm) filing deadline and to forward that request to Healthfirst. Thus, Healthfirst would generally make an expedited decision about the services within seventy-two (72) hours; however, the financial liability rules governing immediate QIO review do not apply in an expedited review situation.

Liability for Hospital Costs

The presence of a timely appeal for an immediate QIO review as filed by the member or member representative in accordance with this section entitles the member to automatic financial protection by Healthfirst. This means that if Healthfirst authorizes coverage of the inpatient hospital admission directly or by delegation, or this admission constitutes emergency or urgently needed care, Healthfirst continues to be financially responsible for the costs of the hospital stay (less any member copayments, coinsurance, or deductibles) until noon (12pm) of the calendar day following the day the QIO notifies the member of its review determination.