

PUBLICATION

CMS Announces "Pause" in QIO Review of Inpatient Admissions [Ober|Kaler]

2016

Earlier this week CMS announced a temporary "pause" in the review of inpatient admissions by the Beneficiary and Family Centered Care Quality Improvement Organizations (QIOs). CMS posted this announcement on its Inpatient Hospital Reviews webpage on June 6, and discussed the announcement in its June 7 Hospital/Quality Initiative Open Door Forum.

In the final 2016 inpatient prospective payment system rule, CMS announced a shift in enforcement of the 2-midnight rule, whereby QIOs would be responsible for all initial reviews of post-payment claims for the medical appropriateness of inpatient admissions. The QIOs began their reviews October 1, 2015. In its recent announcement, CMS stated that it found inconsistent application of the two-midnight policy by the QIOs. The purpose of the pause is "to improve standardization around make the ...QIOs' review process."

The pause was initiated on May 4 of this year. During this pause, CMS will conduct retraining of the QIOs. In addition, CMS has instructed the QIOs to rereview any denials they have issued and provide subsequent provider education consistent with the 2-midnight policy. In the meantime, CMS has requested that providers refrain from appealing any denials until they have been rereviewed.

QIOs will resume their claim reviews after they have completed retraining, rereviewed denied claims and provided any necessary provider outreach and education. CMS's website post dated June 6, 2016, states that this is expected to take 60-90 days, while CMS stated during the open door forum call that it is expected to be completed sometime in July. Perhaps the 60-90 days began to run on May 4.

Ober|Kaler's Comments

Clearly the 2-midnight rule has proven to be sufficiently unclear that the CMS contractors with the responsibility for enforcing the rule could not properly apply it. Fortunately, CMS has acknowledged the problem and taken action. It is unclear, however, whether that action will be adequate to resolve the problem, which is the lack of clarity of the new rule.

In the meantime, providers should not miss the filing deadline for appealing any denials that have arisen from QIO determinations. Although CMS has urged providers not to file appeals until the rereview process has been completed, it has not actually suspended or changed the deadlines for filing appeals.