

Part B Insider (Multispecialty) Coding Alert

Physician Notes: 'Two Midnight' Rule Needs Revision, OIG Says

Plus: Billing extra codes for urine testing cost this lab over \$4.6 million.

It hasn't even been a year since CMS enacted its "Two Midnight" rule, but the OIG is already questioning the decision.

Background: Last October, Medicare ruled that surgical procedures, diagnostic tests and other treatments are "generally appropriate for inpatient hospital admission and payment under Medicare Part A when (1) the physician expects the beneficiary to require a stay that crosses at least two midnights and (2) admits the beneficiary to the hospital based upon that expectation."

In testimony to Congress on May 20, Regional Inspector General **Jodi D. Nudelman** said that the new hospital policy "must be evaluated," noting that "CMS's new policy will affect hospitals' use of observation stays and short inpatient stays, which in turn will affect Medicare and beneficiary payments to hospitals."

In addition, she added, "The new policy may also affect beneficiaries' access to SNF services. Information about the impact of the new policy is needed to ensure that policymakers take these issues into account as they move forward."

To read Nudelman's complete testimony, visit
http://oig.hhs.gov/testimony/docs/2014/Nudelman_testimony_05202014.pdf.