Claims Payment Policy

Subject: Inpatient to Outpatient Rebilling

Application: Medicare Advantage and Commercial Products
Policy number: CP2015018
Published date: 09/2016
Revision date: 04/2017
Related policies: N/A

Disclaimer: The intended audience of this medical claims payment policy is health care providers who treat Humana members. This policy is made available to provide information on certain Humana claims payment policies. This policy is a guideline only and does not constitute medical advice, guarantee of payment, plan pre-authorization, an explanation of benefits, or a contract. This policy does not govern whether a procedure is covered under a specific member plan or policy, nor is it intended to address every claim situation. Claims may be affected by other factors, such as: state and federal laws and regulations, provider contract terms, and our professional judgment. This policy is subject to change or termination by Humana. Humana has full and final discretionary authority for its interpretation and application. No part of this policy may be reproduced, stored in a retrieval system or transmitted, in any shape or form or by any means, electronic, mechanical, photocopying or otherwise without express written permission from Humana. When printed, this version becomes uncontrolled. For the most current information, always refer to the following website: https://www.humana.com/provider/medical-providers/education/claims/payment-policies.

Overview

Reimbursement at an inpatient level may not be appropriate for a particular inpatient admission. For example, a physician may order an inpatient admission, but the hospital’s utilization review committee might determine, before the patient is discharged, that the inpatient admission was not appropriate.

Humana will consider reimbursement for services at an outpatient level when hospital services were appropriate, but reimbursement at the inpatient level is not appropriate. This policy provides guidance for the billing of an outpatient claim after a determination that an inpatient level reimbursement is not appropriate.

Medicare Advantage Payment Policy
Commercial Payment Policy
Definitions of Italicized Terms
References
Claims Payment Policy

Subject: Inpatient to Outpatient Rebilling
Policy Number: CP2015006

Medicare Advantage Payment Policy

In addition to this policy, claims payments are subject to other plan requirements for the processing and payment of claims, including, but not limited to, requirements of medical necessity and reasonableness and applicable referral or authorization requirements.

Claims for Inpatient Services When an Inpatient Admission Was Not Medically Necessary

Humana’s Medicare Advantage plans follow the Centers for Medicare & Medicaid Services (CMS) guidelines for inpatient Part B re-billing.

When an acute care hospital determines before discharge that the patient should not have been admitted as an inpatient, Humana will only accept services submitted on an appropriate outpatient type of bill (TOB) 13x or 85x claim; and will allow the provider to submit all codes that, for a normal outpatient situation, could be appropriate for that TOB; and requires condition code 44. An inpatient claim should not be submitted.

When an acute care hospital determines before the submission of an inpatient claim that the patient should not have been admitted as an inpatient, Humana will only accept services submitted on an inpatient Part B TOB 12x claim. The billing should reflect the reasonable and necessary Part B services and provide the correct Current Procedural Terminology (CPT®) and Healthcare Common Procedure Coding System (HCPCS) codes when available. Report condition code W2 to indicate that this is a Part B claim and include “A/B Rebilling” in the treatment authorization field. For preadmission services in the 3-day payment window, a hospital may separately bill for services provided prior to an inpatient admission and should report “A/B Rebilling” in the treatment authorization field of the appropriate outpatient TOB 13x or 85x claim.

When an acute care hospital or Humana determines after the submission of an inpatient claim that the patient should not have been admitted as an inpatient, Humana will only accept an appropriate outpatient TOB 13x or 85x claim; and will allow the provider to submit all codes that, for a normal outpatient situation, could be appropriate for that TOB; and requires condition code W2.

Note: When a facility fails to obtain an inpatient preauthorization or the preauthorization request is denied, the facility must bill emergency-related services provided before the inpatient admission separately from the inpatient services. Humana will deny an inpatient claim that includes unauthorized inpatient services, including charges for preadmission emergency-related services. Additional preauthorization requirements for inpatient Part B or outpatient services may apply.

Member Responsibility

For outpatient and inpatient Part B claims, the member’s hospital outpatient cost sharing applies.

Commercial Payment Policy

In addition to this policy, claims payments are subject to other plan requirements for the processing and payment of claims, including, but not limited to, requirements of medical necessity and reasonableness and applicable referral or authorization requirements.

Claims for Inpatient Services When an Inpatient Admission Was Not Medically Necessary

When an acute care hospital determines before discharge that the patient should not have been admitted as an inpatient, Humana will only accept an appropriate outpatient TOB 13x or 85x claim; and will allow the provider to submit all codes that, for a normal outpatient situation, could be appropriate for that TOB; and requires condition code 44.

When an acute care hospital determines after discharge that the patient should not have been admitted as an inpatient, Humana will only accept an appropriate outpatient TOB 13x or 85x claim; and will allow the provider to submit all codes that, for a normal outpatient situation, could be appropriate for that TOB; and requires condition code W2.
When Humana determines after discharge that the patient should not have been admitted as an inpatient, Humana will only accept an **appropriate outpatient TOB 13x or 85x claim**; and will allow the provider to submit all codes that, for a normal outpatient situation, could be appropriate for that TOB; and requires **condition code W2**.

When Humana determines before discharge that the patient should not have been admitted as an inpatient, Humana will only accept an **appropriate outpatient TOB 13x or 85x claim**; and will allow the provider to submit all codes that, for a normal outpatient situation, could be appropriate for that TOB.

**Member Responsibility**

For inpatient claims converted to an outpatient claim, the member’s hospital outpatient cost sharing applies.

**Definitions of Italicized Terms**

- **Appropriate outpatient TOB 13x or 85x claim**: A claim submitted with a type of bill code that a particular acute care hospital is permitted to use in ASC X12 835I transactions for outpatient services or applicable UB04 equivalent.
- **Condition code 44**: A condition code used on outpatient claims only when the physician ordered inpatient services but, upon internal utilization review performed before the claim was originally submitted, the hospital determined that the services did not meet inpatient criteria.
- **Condition code W2**: A condition code that indicates a conversion of an inpatient claim to an outpatient claim after discharge.
- **Payment window**: Period of time in which rendered services must, as required by the Centers for Medicare & Medicaid Services, be bundled with the inpatient claim.

**References**

- U.S. Government Publishing Office website. Code of Federal Regulations. *Title 42, Section 414.5. Hospital services paid under Medicare Part B when Part A hospital inpatient claim is denied because the inpatient admission was not reasonable and necessary, but hospital outpatient services would have been reasonable and necessary in treating the beneficiary.* [http://www.ecfr.gov](http://www.ecfr.gov).

**Note**: Links to sources outside of Humana’s control are verified at the time of publication. Please report broken links here.