

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



Director, Program Policy Division
Bureau of Medicaid Policy and Health System Innovation

Project Number: 1625-Hospital	Comments Due: October 28, 2016	Proposed Effective Date: As Indicated
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Policy Subject: Policy Clarification for Long-Term Acute Care Hospitals (LTACHS)

Affected Programs: Medicaid, Healthy Michigan Plan

Distribution: Hospitals, Medicaid Health Plans, Practitioners

Policy Summary: The policy responds to questions related to bulletin MSA 15-30, regarding statewide per diem rates for LTACHs. LTACHs are certified acute care hospitals for patients with longer length of stays. A discharge from the hospital and admission to the LTACH requires a Prior Authorization Certification Evaluation Review (PACER).

Purpose: The purpose of this policy is to clarify Medicaid requirements for LTACH admissions.

Proposed Policy Draft

Michigan Department of Health and Human Services
Medical Services Administration

Distribution: Hospitals, Medicaid Health Plans, Practitioners

Issued: December 1, 2016 (Proposed)

Subject: Policy Clarification for Long-Term Acute Care Hospitals (LTACHs)

Effective: As Indicated (Proposed)

Programs Affected: Medicaid, Healthy Michigan Plan

The purpose of this policy is to clarify Medicaid admission/transfer requirements for LTACHs. Historically, all Medicaid acute care inpatient hospital policies, including admission/transfer and reimbursement requirements, also applied to LTACHs. On September 1, 2015, the Michigan Department of Health and Human Services (MDHHS) issued bulletin MSA 15-30, effective October 1, 2015, which describes the development of statewide per diem rates for LTACHs. Since the release of MSA 15-30, MDHHS has received questions regarding the requirements for admission or transfer to an LTACH.

LTACHs are certified as acute care hospitals, but focus on patients who, on average, stay more than 25 days. Many of the patients in LTACHs are transferred there from an intensive or critical care unit. LTACHs specialize in treating patients who may have more than one serious condition, but who may improve with time and care, and return home. LTACHs generally provide services like respiratory therapy, head trauma treatment, and pain management.

Effective for discharges on and after October 1, 2015, if a beneficiary is moved from an acute care inpatient hospital to an LTACH, this is considered an inpatient discharge and LTACH readmission within 15 days. For additional billing information, refer to the Special Circumstances for Hospital Readmissions and Transfers section of the Billing & Reimbursement for Institutional Providers chapter within the Medicaid Provider Manual. The Medicaid Provider Manual is available on the MDHHS website at www.michigan.gov/medicaidproviders >> Policy and Forms.

All inpatient admissions, including admissions to an LTACH, must be medically necessary and appropriate, and all services must relate to a specific diagnosed condition. Elective admissions, readmissions within 15 days of discharge, and transfers for surgical and medical inpatient hospital services must be authorized through the Admissions and Certification Review Contractor (ACRC). The ACRC performs admission, readmission, and transfer reviews through the Prior Authorization Certification Evaluation Review (PACER) system and assigns PACER numbers. Prior authorization is not required for beneficiaries who are dually eligible for Medicare and Medicaid.

Authorization for Medicaid beneficiaries enrolled in a Medicaid Health Plan (MHP) must be obtained through the MHP.

Per current policy the discharging hospital is responsible for obtaining the PACER number before discharging the beneficiary to an LTACH. When conducting the review, the ACRC will use InterQual LTACH level of care criteria for determining whether an LTACH admission meets medical criteria. Prior authorizations for admission to LTACHs may be initially obtained for no more than 30 days. Subsequent prior authorization must be obtained by the LTACH for admissions exceeding the initial 30 days. Continued stay approval will be reviewed according to InterQual LTACH level of care criteria.

Providers must follow the regular ACRC appeal process. Additional information for obtaining a PACER number is available in the General Information for Providers chapter of the Michigan Medicaid Provider Manual.