Inpatient Hospital Prior Authorization Certification Review (PACER) Requirements

Claim Adjustment Reason Code 15

Policy: Medicaid Provider Manual (MPM) Chapter “General Information for Providers” Section 9 Inpatient Hospital Authorization Requirements.

MDHHS contracts with Michigan Peer Review Organization (MPRO) to perform medical/surgical and rehabilitation admission, readmission, and transfer reviews for Fee For Service Medicaid, CSHCS, and HMP beneficiaries. They can be contacted at 1-800-727-7223

Admissions/Readmissions/Transfers that require a PACER

- All elective admissions
- All admissions within 15 days of discharge (including newborns)
- All transfers for medical/surgical services to and from any hospital enrolled in the Medicaid program (including newborns)
- Transfers between a medical/surgical unit and an enrolled distinct part rehabilitation unit of the same hospital
- Authorization of continued stays in freestanding and distinct part rehabilitation units

Admissions/Readmission/Transfers that DO NOT require a PACER

- Emergent/urgent inpatient hospital admissions (except transfers and 15 day readmissions)
- All admissions and transfers to distinct-part psychiatric units or freestanding psychiatric hospitals and all continued stays in a psychiatric unit/hospital. Authorization must be obtained through the Mental Health Authority Prepaid Inpatient Health Plan (PIHP)
- Obstetrical patients admitted for any delivery. Should not be billed as an elective admission
- Newborns admitted following delivery
- Admissions of beneficiaries who are eligible for Children’s Special Health Care Services (CSHCS) only. Providers must be authorized by CSHCS to treat the beneficiary
- Medicaid beneficiaries enrolled in a Medicaid Health Plan (authorization is obtained through the MHP)
- When a beneficiary is admitted to a hospital that is not enrolled with Michigan Medicaid
- When a beneficiary becomes Medicaid eligible after the admission, readmission, transfer or certification review period. PACER may still be required in some scenarios (IE admissions have same DRG)
  - If the beneficiary is granted retroactive eligibility that must be indicated in the claim note example: “Retroactive eligibility- No PACER required”
• Medicare A beneficiaries
• Commercial insurance coverage for admissions, readmissions, transfers, or continued stays if the primary carrier authorizes/pays for the admission


Readmissions and Transfers Readmit within 15 days to the same hospital (unrelated)
• Must bill two separate claims
• The second admission has to have the PACER and Occurrence Span Code (OSC) 71 with the dates from the previous admission

Readmit within 15 days to the same hospital (related)
• Revenue code 0180 is used to report the days the beneficiary was not in the hospital
• Enter the number of leave days in the service units field
• Leave the rate and total charges blank
• Include the leave days in the total units field
• Report OSC 74 with the from and through dates of the leave
• If the original admission has been submitted and paid, an adjusted claim must be submitted with the combined services for both admissions

Readmit within 15 days to a different hospital
• PACER needs to be reported on the claim
• Report OSC 71 with the from and through dates from the previous admit

*The Claim Limit List Function in CHAMPS can be used if a claim is suspended or denied for a 15 day readmission

Transfers
• It is the responsibility of the discharging hospital to obtain the PACER, and the receiving hospital reports the PACER, and the occurrence span code and dates of the previous stay
• If the beneficiary is transferred from a different outpatient hospital into an inpatient hospital a PACER is not required. There must be a claim note appended that clearly indicates the nature of the transfer
  Example: “Outpatient transferred into Inpatient- No PACER required”

Note: PACER authorization does not remove the need for prior authorization requirement for specific services