

## Michigan Department of Health and Human Services Readmissions Examples

Readmissions within 15 days for a related condition, whether to the same or a different hospital, are considered a part of a single episode for payment purposes. If the readmission is to a different hospital, full payment is made to the second hospital. The first hospital's payment is reduced by the amount paid to the second hospital. The first hospital's payment is never less than zero for the episode. Readmissions for an unrelated condition, whether to the same or a different hospital, are considered separate episodes for payment purposes. The 15-day hospital readmission policy is located in Section 2.3.A.6. Special Circumstances of the Hospital Reimbursement Appendix in the Medicaid Provider Manual.

The examples below provide reimbursement clarification for readmissions within 15 days for a related condition when a second hospital is involved.

<b>Example 1</b>		
<b>Admission Date</b>	<b>Description</b>	<b>Amount</b>
6/1/2022	Hospital #1 calculated payment (operating and capital)	\$7,500
6/10/2022	Hospital #2 calculated payment for same case/episode (operating and capital)	\$5,000
	Adjustment to Hospital #1 payment by amount of Hospital #2 payment, but not less than zero	\$(5,000)
	<b>Total payment for single case/episode</b>	<b>\$7,500</b>
	<i>Hospital #1 net payment for episode</i>	<i>\$2,500</i>
	<i>Hospital #2 net payment for episode</i>	<i>\$5,000</i>

<b>Example 2</b>		
<b>Admission Date</b>	<b>Description</b>	<b>Amount</b>
6/1/2022	Hospital #1 calculated payment (operating and capital)	\$7,500
6/10/2022	Hospital #2 calculated payment for same case/episode (operating and capital)	\$8,500
	Adjustment to Hospital #1 payment by amount of Hospital #2 payment, but not less than zero	\$(7,500)
	<b>Total payment for single case/episode</b>	<b>\$8,500</b>
	<i>Hospital #1 net payment for episode</i>	<i>\$0</i>
	<i>Hospital #2 net payment for episode</i>	<i>\$8,500</i>