



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

JANET OLSZEWSKI
DIRECTOR

November 2008

Dear Hospital Providers,

The Michigan Department of Community Health (MDCH) would like to provide information regarding the Hospital Post-Discharge Utilization Review process. An annual statewide review for all inpatient facilities is currently performed. The purpose of this review is to monitor utilization as well as educate and provide feedback to inpatient providers. Effective January 1, 2009, MDCH will activate the post-discharge utilization review process for all outpatient hospitals.

Please refer to Section 5.7.B in the Hospital Chapter of the Medicaid Provider Manual, Post-Discharge Utilization Review, for explanation and details of the process for inpatient and outpatient hospitals. The Authorization and Certification Review Contractor (ACRC) will follow the same protocol for inpatient and outpatient hospitals for each facility when requesting up to 20 medical records. The inpatient medical record reviewed by ACRC remains unchanged.

Outpatient medical records will be reviewed by the ACRC for the following:

- Medical necessity for admission/visit,
- Appropriate usage of Healthcare Common Procedure Code System (HCPCS) / Current Procedural Terminology (CPT) / Ambulatory Payment Classification (APC) / Revenue Center Codes,
- Diagnosis codes are used appropriately, and
- Services performed in the appropriate setting.

If the ACRC discovers any issues of concern during the review, the issues will be addressed in an educational letter to the provider. This process applies to both inpatient and outpatient facilities. Financial recoveries will not be initiated based on this review; however, the results may be used to select hospitals for follow-up post-payment audits that may result in recoveries.

MDCH will keep with current processes and policy published in the Hospital Chapter of the Medicaid Provider Manual. The Medicaid Provider Manual is posted on the MDCH website. MDCH appreciates the opportunity to work together with hospital providers to continue to improve healthcare quality, utilization reviews and patient safety.

Sincerely,

A handwritten signature in black ink that reads "Paul Reinhart".

Paul Reinhart, Director
Medical Services Administration