CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-20 One-Time Notification	Centers for Medicare & Medicaid Services (CMS)
Transmittal 1334	**Date: January 24, 2014**
	Change Request 8586

SUBJECT: Occurrence Span Code 72; Identification of Outpatient Time Associated with an Inpatient Hospital Admission and Inpatient Claim for Payment

I. SUMMARY OF CHANGES: The purpose of this change request is to notify contractors that occurence span code 72 was redefined by the National Uniform Billing Committee (NUBC), for inpatient bills, so that contractors may denote contiguous outpatient hospital services that preceeded the inpatient admission. This should permit the contractor the ability to determine the total time in the hospital, as it is voluntarily recorded on an inpatient claim.

EFFECTIVE DATE: December 1, 2013
IMPLEMENTATION DATE: February 25, 2014

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:
For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC statement of Work. The contractor is not obliged to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

One-Time Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 1334	Date: January 25, 2014	Change Request: 8586

SUBJECT: Occurrence Span Code 72; Identification of Outpatient Time Associated with an Inpatient Hospital Admission and Inpatient Claim for Payment

EFFECTIVE DATE: December 1, 2013
IMPLEMENTATION DATE: February 25, 2014

I. GENERAL INFORMATION

A. Background: This change in claim processing instruction is associated with CMS-1599-F, in which CMS clarifies and modifies its guidance regarding the proper billing of inpatient hospital stays. Under the rule, if an admitting physician expects a beneficiary's surgical procedure, diagnostic test, or other treatment, not specifically designated as inpatient-only, to require a medically necessary stay in the hospital lasting at least two midnights, and admits the beneficiary to the hospital based on that expectation, it is generally appropriate that the admission receive Medicare Part A payment. The final rule emphasizes the need for a formal order of inpatient admission to begin inpatient status and time, but permits the physician and the medical reviewer to consider all time a beneficiary has already spent in the hospital receiving outpatient services, including observation services and treatment in the emergency department, operating room, or other treatment area, in guiding their two midnight expectation. This change in claim processing instruction will allow CMS to identify those claims in which the 2 midnight benchmark was met because the beneficiary was treated as an outpatient in the hospital prior to the formal inpatient order and admission.

B. Policy: This claim processing change relates to 42 CFR 412.3; that is, the 2 Midnight Rule codified under the FY 2014 Inpatient Prospective Payment System Final Rule CMS-1599-F.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
8586.1	Contractors shall allow occurrence span 72 on Inpatient (11x) claim types. **NOTE:** This is not a required field for claim submission. Its exclusion by the provider shall not result in RTP or rejection.	X								
8586.2	Contractors shall be able to determine the total number of midnights a beneficiary stays within the hospital setting including both midnights after	X								

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	formal inpatient admission and the number of outpatient midnights occurring before the inpatient admission, as identified with newly defined occurrence span code 72. **NOTE**: Future CMS medical review technical directions may include occurrence spans of various lengths as a parameter to include or exclude claims.									
8586.2.1	Contractors should be able to identify Inpatient claims with occurrence span 72 with occurrence span code dates for 2 calendar days of contiguous services (i.e. 12/1/2013—12/2/2013 = 1 midnight of outpatient care) and one midnight hospitalized in inpatient status.	X								
8586.2.2	Contractors should be able to identify Inpatient claims with occurrence span 72 with occurrence span code dates for 3 calendar days of contiguous services (i.e. 12/1/2013—12/3/2013 = 2 midnights of outpatient care) and zero midnights hospitalized in inpatient status.	X								

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
8586.3	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included	X				

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
	in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.					

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements:

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
	The 2 midnight benchmark allows hospitals to account for *total* hospital time in determining if the beneficiary is expected to meet the 2 midnight benchmark (receiving medically necessary services) for inpatient admission. Since currently the inpatient claim only permits CMS to accurately track inpatient time (i.e. utilization days/midnights), CMS would also like to use occurrence span 72 to track the total, contiguous outpatient care received that may account for additional "midnights" receiving hospital care.
	Example 1: Bene is an outpatient and is receiving observation services at 10PM on 12/1/2013is still receiving observation services at one minute past midnight on 12/2/2013 and continues as an outpatient until admission. Bene is admitted as an inpatient on 12/2/2013 at 3 AM, under the expectation that the beneficiary will require medically necessary hospital services for an additional midnight. Bene is discharged on 12/3/2013 at 8AM. Total time in the hospital meets the 2 midnight benchmark. CMS would like to track the outpatient time on automated basis, so CMS may focus medical review as needed.
	Example 2: Bene having arrived at the hospital and begun treatment in the ED at 8PM on 12/11/2013 is still in the Emergency Department (ED) at one minute past midnight on 12/12/2013 and continues as an outpatient until admission. The beneficiary is admitted as an inpatient on 12/12/2013 at 2 AM, under the expectation that the beneficiary will require medically necessary hospital services for an additional midnight.

X-Ref Requirement Number	Recommendations or other supporting information:
	The bene is discharged on 12/13/2013 at 8AM. Total time in the hospital meets the 2-midnight benchmark. CMS would like to track the outpatient time on an automated basis, so CMS may focus medical review as needed.
	Example 3: Bene is in outpatient Surgical Encounter at 6PM on 12/21/2013 is still in the Outpatient Encounter at one minute past midnight on 12/22/2013 and continues as an outpatient until admission. Bene is admitted as an inpatient on 12/22/2013 at 1 AM, under the expectation that the beneficiary will require medically necessary hospital services for an additional midnight. Bene is discharged on 12/23/2013 at 8AM. Total time in the hospital meets the 2 midnight benchmark. CMS would like to track the outpatient time on an automated basis, so CMS may focus medical review as needed.

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Jennifer Dupee, 410-786-6537 or Jennifer.Dupee@cms.hhs.gov, Fred Rooke, 404-562-7205 or Fred.Rooke@cms.hhs.gov, Jennifer Phillips, 410-786-1023 or Jennifer.Phillips@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS do not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.