

Medical Necessity!!



LEONARD J. CHABERT MEDICAL CENTER

What's up Doc? case management news

In the last issue we discussed the RAC (Recovery Audit Contractors) and the impact these audits will have on our facility.

I would like to expound on the findings of a recent independent audit conducted by AR Systems, Inc. in cooperation with the HCS D RAC ATTACK team.

LJCMC fared well with appropriateness of coding however, we did not do so well with **Medical Necessity** of our Medicare "one day" admits. Results concluded:

39% of the cases reviewed met **MEDICAL NECESSITY**.

87% should have been "OBSERVATION" and

13% should have been "OUTPATIENT".

If this would have been an actual **RAC AUDIT** we would have been hit hard and would be paying back a lot of money to Medicare!

Medicare pays us on a DRG payment system based on the admitting diagnosis and an average length of stay suitable for the diagnosis is assigned. When the patient is discharged in "One day" the question is raised should that patient have been placed in an observation level of care. Hence there goes the **red flag!**

Remember!!!

It is always easier to change from an outpatient level of care status to an inpatient level of care status.

Talk to your case manager!

What can we do to improve?

- Ask yourself: Can this patient's condition be treated or improved within 24 hours?... Then place in **OBSERVATION STATUS**.
- If the intent of care is for "BLOOD TRANSFUSION ONLY" or "IV HYDRATION" place in an extended **OUTPATIENT STATUS**
- Syncope, Chest Pain, gastroenteritis, Asthma, should be placed in **OBSERVATION STATUS**

When an OBSERVATION status is ordered

- Document the **intent** of the observation stay.
- "23 hr OBS" is **not** a level of care. Once the intent of the OBS stay is met the patient should be discharged. If only after a few hours.
- A **4-6 hour** recovery period following op-surgery **must** be met before an order for OBS can be written (unless there was a complication such as bleeding or arrhythmias).
- **DOCUMENTATION** is vital. Not only upon placement and at discharge but **throughout** the Observation stay. (Each hour billed in Observation has to be justified)



Quality Improvement Organizations (QIO) have determined that nearly 30% of one-day stays nationwide are medically unnecessary!

Questions? Contact Debbie Picou, RN 873-1833
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