



ADMINISTRATIVE RULES OF MONTANA

37.86.2918 INPATIENT HOSPITAL, READMISSIONS, PARTIAL ELIGIBILITY, OUTPATIENT BUNDLING, AND TRANSFERS FOR PROSPECTIVE PAYMENT SYSTEM (PPS) FACILITIES

- (1) All readmissions occurring within 30 days will be subject to review to determine whether additional payment as a new APR-DRG or as an outlier is warranted. As a result of the readmission review, the following payment changes will be made:
 - (a) If it is determined that complications have arisen because of premature discharge and/or other treatment errors, then the APR-DRG payment for the first admission must be altered by combining the two admissions into one for payment purposes.
 - (b) If it is determined that the readmission is for the treatment of conditions that could or should have been treated during the previous admission, the department will combine the two admissions into one for payment purposes.
 - (c) A client readmission occurring in an inpatient rehabilitation hospital or a rehabilitation distinct part unit three days after the initial date of discharge must be combined into one admission for payment purposes, with the exception of discharge to an acute care hospital for surgical APR-DRGs.
 - (d) Inpatient readmissions within 24 hours of discharge must be combined if the same condition is diagnosed.
 - (e) Services that are performed at a second hospital because the services are not available at the first hospital (e.g., a CT scan) are included in the first hospital's payment. This includes transportation to the second hospital and back to the first hospital. Arrangement for payment to the transportation provider and the second hospital where the services were actually performed must be between the first and second hospital and the transportation provider.
- (2) A transfer, for the purpose of this rule, is limited to those instances in which a client is transferred for continuation of medical treatment between two hospitals or distinct part units, one of which is paid under the Montana Medicaid prospective payment system.
 - (a) A transferring hospital or distinct part unit reimbursed under the APR-DRG prospective payment system is paid for the services and items provided to the transferred recipient, the lesser of:
 - (i) a per diem rate of two times the average per diem amount for the first inpatient day plus one per diem payment for each subsequent day of inpatient care. The per diem payment is determined by dividing the sum of the APR-DRG payment for the case as computed in ARM 37.86.2907 by the national average length of stay for the DRG.

Outlier and add-on payments are then added if applicable after the transfer payment is computed; or

- (ii) the sum of the APR-DRG payment for the case as computed in ARM 37.86.2907 and the appropriate outlier, and add-ons, if applicable, as computed in ARM 37.86.2916, and 37.86.2925.
- (b) A discharging hospital or distinct part unit (i.e., the hospital to which the recipient is transferred) reimbursed under ARM 37.86.2907 is paid the full APR-DRG payment plus any appropriate outliers and add-ons, if applicable.
- (3) Outpatient hospital services, including emergency room services and diagnostics services (including clinical diagnostic laboratory tests) that are provided by an entity owned or operated by the hospital and occur the day of or the day before the inpatient hospital admission are deemed to be inpatient services and must be bundled into the inpatient claim.
- (4) A hospital or distinct part unit reimbursed under the APR-DRG prospective payment system is paid for the services and items provided to a recipient who is eligible for only part of the inpatient stay, the lesser of:
 - (a) a rate of one per diem payment for each eligible day of inpatient care. The per diem payment is determined by dividing the sum of the APR-DRG payment for the case as computed in ARM 37.86.2907 plus outlier if applicable, by the national average length of stay for the DRG. Add-on payments are then added if applicable; or
 - (b) the sum of the APR-DRG payment for the case as computed in ARM 37.86.2907 and the appropriate outlier and add-ons, if applicable, as computed in ARM 37.86.2916 and 37.86.2925.

Authorizing statute(s): 2-4-201, 53-2-201, 53-6-113, MCA

Implementing statute(s): 2-4-201, 53-2-201, 53-6-101, 53-6-111, 53-6-113, MCA

History: NEW, 2004 MAR p. 482, Eff. 2/27/04; AMD, 2005 MAR p. 265, Eff. 2/11/05; AMD, 2006 MAR p. 768, Eff. 3/24/06; AMD, 2006 MAR p. 2849, Eff. 11/10/06; AMD, 2006 MAR p. 3078, Eff. 1/1/07; AMD, 2008 MAR p. 1983, Eff. 10/1/08; AMD, 2010 MAR p. 1534, Eff. 7/1/10; AMD, 2012 MAR p. 624, Eff. 4/1/12; AMD, 2014 MAR p. 3096, Eff. 1/1/15; AMD, 2018 MAR p. 458, Eff. 3/1/18.