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Two Midnight Rule for Inpatient Admissions

CMS finalized guidelines for when inpatient admissions will be appropriate for part A payment. Effective October 1, 2017 inpatient admission is reasonable and necessary for encounters that cross “two midnights” in the hospital.

IPPS Final Rule determined for an inpatient admission to be deemed medically necessary physicians **MUST DOCUMENT** why a patient’s stay is expected to be a minimum of two midnights. An observation stay that crosses one midnight as well as ER treatment time prior to observation or admission can count toward the two midnights needed for a qualifying inpatient stay.*

BOTH a written order by a physician AND medical record **documentation** of the reason for the stay **are required** for inpatient services to be properly paid.

*CDI Strategies – August 2013 AAMC Washington Highlights:
<http://www.aamc.org/advocacy/washhigh/highlights2013/352028/2.html>