

Inpatient Hospital Care Update

Background

During the COVID-19 Coronavirus Public Health Emergency (PHE) regarding inpatient hospital care CMS as stated that:

“There may be times when beneficiaries with the virus need to be quarantined in a hospital private room to avoid infecting other individuals. These patients may not meet the need for acute inpatient care any longer but may remain in the hospital for public health reasons.

Patients who would have been otherwise discharged from the hospital after an inpatient stay, but are instead remaining in the hospital under quarantine, would not have to pay an additional deductible for quarantine in a hospital.

If a Medicare beneficiary is a hospital inpatient for medically necessary care, Medicare will pay hospitals the diagnosis-related group (DRG) rate and any cost outliers for the entire stay, including any quarantine time when the patient does not meet the need for acute inpatient care, until the Medicare patient is discharged. The DRG rate (and cost outliers as applicable) includes the payments for when a patient needs to be isolated or quarantined in a private room.”¹

The new diagnosis code, U07.1, COVID-19, has been implemented, effective April 1, 2020.

As a result, CMS has released an updated ICD-10 MS-DRG Grouper software package to accommodate the new ICD-10-CM diagnosis code effective with discharges on and after April 1, 2020. The new software package is available on the CMS [MS-DRG Classifications and Software](#) webpage.²

CMS further indicates that “this updated Grouper software package (V37.1 R1) replaces the Grouper software package V37.1 that was developed in response to the new ICD-10-CM diagnosis code U07.0, Vaping-related disorder, also effective with discharges on and after April 1, 2020, that is currently available on the [MS-DRG Classifications and Software](#) webpage. Providers should use this new code, U07.1, where appropriate, for discharges on or after April 1, 2020.”

The American Hospital Association summarized the CARES Act provision to allow a 20% add-on to the DRG rate for patients with COVID-19. This add-on will apply to patients treated at rural and urban inpatient prospective payment system (IPPS) hospitals.³

“For discharges occurring during the emergency period described in section 1135(g)(1)(B), in the case of a discharge of an individual diagnosed with COVID-19, the Secretary shall increase the weighting factor that would otherwise apply to the diagnosis-related group to which the discharge is assigned by 20 percent. The Secretary shall identify a discharge of such an individual through the use of diagnosis codes, condition codes, or other such means as may be necessary.”⁴

Guidance

1. Review guidance with applicable staff, specifically Utilization Review and Case Management.
2. Ensure accurate coding of confirmed COVID-19 Coronavirus cases.
3. Install updated DRG software package.
4. Monitor reimbursement to ensure appropriate payment with increase is received.



Sources

1. <https://www.cms.gov/files/document/03052020-medicare-covid-19-fact-sheet.pdf>
2. CMS Special Bulletin, April 3, 2020.
3. <https://www.aha.org/special-bulletin/2020-03-26-senate-passes-coronavirus-aid-relief-and-economic-security-cares-act>
4. H.R. 478, CARES Act, Section 3710. ■