



AMERICA'S ESSENTIAL HOSPITALS

November 20, 2013

Marilyn Tavenner
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Attention: CMS-1599-F
P.O. Box 8016
Baltimore, MD 21244-8016

**Ref: CMS-1599-F: Medicare Program; Inpatient Hospital
Admission Guidelines and Medical Review Criteria (Two Midnight
Policy)**

Dear Ms. Tavenner,

America's Essential Hospitals, formerly the National Association of Public Hospitals and Health Systems (NAPH), appreciates the opportunity to submit this letter on CMS' inpatient admission review criteria outlined in the fiscal year 2014 inpatient prospective payment system (IPPS) final rule.

America's Essential Hospitals represents more than 200 hospitals that are vital to their communities, providing primary care, trauma care, disaster response, health professionals training, research, public health programs, and other services. As essential community providers, our members also offer specialized inpatient and emergency services not available elsewhere in their communities. Our member hospitals provide specialized, high-acuity care to patients with complex medical needs and comorbidities that require special clinical attention.

On behalf of the association's members, we urge CMS to delay enforcement of the revised inpatient admission guidelines and medical review criteria until at least October 1, 2014. The revised inpatient admission guidelines and medical review criteria create a

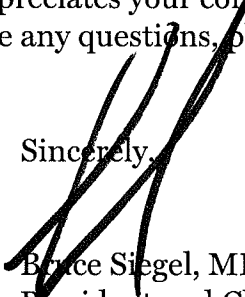
presumption that inpatient admissions that last for fewer than two midnights are inappropriate for inpatient reimbursement. And, according to the new policy, stays that lasted fewer than two midnights would be subject to scrutiny by CMS contractors. This policy has faced widespread criticism from a range of stakeholders, including hospital and physician groups. CMS' revised policy undermines the clinical decision-making of licensed physicians in favor of a rigid time-based presumption. Due to the intensity of the care needed, there are certain hospital stays that may not last two midnights but are nonetheless appropriate for the inpatient hospital setting. Because of the complex case mix at our hospitals, it is important that physicians have the ability to make admission decisions based on a patient's individualized needs, rather than an administratively imposed benchmark. The rule also does not address the underlying issue of the unbridled discretion that review contractors, particularly recovery audit contractors, continue to hold to overturn informed clinical decisions made by physicians. **For these reasons, CMS should delay enforcement of the two midnight rule until at least October 1, 2014.**

CMS recognizes that there are circumstances where an inpatient admission is warranted but the physician does not expect the patient to require two or more midnights in the hospital, but the agency notes that these circumstances are expected to be rare and unusual. We are encouraged that CMS is seeking feedback from the hospital industry on these short term stays that should be exempt from the two-midnight policy. Toward that end, America's Essential Hospitals is working with its members to identify types of stays that would be appropriate for inpatient reimbursement regardless of the length of the stay. We will communicate these suggestions to CMS once we have collected this information from our members.

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America's Essential Hospitals appreciates your consideration of our concerns in this letter. If you have any questions, please contact Xiaoyi Huang at 202-585-0127.

Sincerely,



Bruce Siegel, MD, MPH
President and Chief Executive Officer