



Reimbursement Policy Commercial

Effective Date.....10/18/2021
Annual Review Date11/01/2025
Reimbursement Policy Number R35

DRG Readmission

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Related Policy Resources

[R05 – Never Events](#)
[R19 – Hospital Acquired Conditions](#)
[R20 – DRG Clinical Review Program](#)

INSTRUCTIONS FOR USE

Reimbursement policies are intended to supplement certain **standard** benefit plans. Please note, the terms of an individual's particular benefit plan document [Group Service Agreement (GSA), Evidence of Coverage, Certificate of Coverage, Summary Plan Description (SPD) or similar plan document] may differ significantly from the standard benefit plans upon which a reimbursement policy is based. For example, an individual's benefit plan document may contain specific language which contradicts the guidance outlined in a reimbursement policy. In the event of a conflict, an individual's benefit plan document **always supersedes** the information in a reimbursement policy. Reimbursement terms in agreements with participating health care providers may also supersede the information in a reimbursement policy. Proprietary information of Cigna.
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Overview

Readmissions occurring within 72 hours to hospitals that are reimbursed based on the Diagnosis Related Group (DRG) methodology are reviewed to determine whether the readmission was clinically related to the initial inpatient stay.

This policy applies to:

- Contracted acute care hospitals with Diagnosis Related Group rates.
- Claims submitted on a Uniform Billing (UB04) claim form and all equivalent forms.

This policy does not apply to Cigna Medicare and Medicaid benefit plans.

Reimbursement Policy

DRG reimbursement includes all care provided for a customer's readmission occurring within 72 hours of discharge if the readmission is for the same/similar diagnosis, or symptoms related to the evaluation and management of the medical condition associated with the prior inpatient admission.

Cigna will request and review medical records when a customer is readmitted to the same acute care hospital within the 72 hour timeframe.

- If the review determines the readmission is for the same diagnosis as the prior inpatient admission, additional reimbursement for the readmission will be denied
- If the review determines the readmission is for a similar diagnosis, symptoms related to the evaluation and management of the medical condition associated with the prior inpatient admission, additional reimbursement for the readmission will be denied
- If medical records are not received, additional reimbursement for the readmission may be denied for lack of requested documentation

This policy does not apply to inpatient admissions for the following:

- Neonatal and obstetrical
- Cancer treatment
- Transplant
- Psychiatric/Substance use disorders
- Rehabilitation with or without complication or comorbidity (CC)/ major complication or comorbidity (MCC)
- Discharged from the hospital against medical advice

General Background

According to CMS, "Diagnosis Related Groups are a patient classification scheme which provides a means of relating the type of patients a hospital treats (i.e., its case mix) to the costs incurred by the hospital."

Cigna utilizes DRG payment methodology which includes all charges associated with an inpatient stay from the time of admission to discharge. The hospital is usually paid a flat rate regardless of the number of days hospitalized.

Definitions

Readmission: In accordance with this policy, readmission occurs when a customer is discharged from an acute care hospital, followed by a new admission to the same acute care hospital within 72 hours.

Same Diagnosis: The initial inpatient admission and subsequent readmission include the same primary admitting diagnosis.

Similar Diagnosis: Symptoms related to, or for evaluation and management of, the prior stays medical condition.

References

1. Centers for Medicare and Medicaid Services. Design and development of the Diagnosis Related Group (DRG). Accessed: 03/20/2021
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2. UpToDate® website. Hospital Discharge and Readmission. Accessed: 03/30/2021
<https://www.uptodate.com/contents/hospital-discharge-and-readmission>
3. Optum 360 DRG Expert-Volume 1. 2020. © 2019 Optum 360, LLC.
4. Social Security Administration. Social Security Act. Title 18, Section 1886. Payment to Hospitals for Inpatient Hospital Services. Accessed: 03/30/2021
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Policy History/Update

Date	Change/Update
01/01/2025	Updated policy template
10/18/2021	Effective date for the denial of DRG readmissions occurring within 72 hours of the prior stays discharge
07/20/2021	Notification for the denial of DRG readmissions occurring within 72 hours of the prior stays discharge effective 10/18/2021

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