

## Chapter 13

# Inpatient Hospital Authorization

A Service Authorization is required for all members to ensure that all inpatient hospital services paid under PrimeWest Health are medically necessary and consistent with the member's diagnosis or condition and cannot be provided on an outpatient basis. Service Authorization does not determine member's eligibility, eligibility should be verified on admission, and routinely thereafter.

## Definitions

**Admission:** The time of birth at a hospital or other act that allows the recipient to officially enter a hospital to receive inpatient hospital services under the supervision of a physician who is a member of the medical staff.

**Inpatient Service Authorization (IHA):** The determination by PrimeWest Health that all or part of a member's inpatient hospital services are medically necessary and cannot be provided at a less intensive level of care.

**Admitting Physician:** The physician who orders the member's admission to the hospital.

**Concurrent Review:** A medical record review completed to determine medical necessity of inpatient hospital services while the member is in the hospital. The review consists of admission review, continued stay review, and, when appropriate, procedure review.

**Continued Stay Review:** A review and determination of the medical necessity of continuing inpatient hospital service to the member.

**Diagnostic Categories:** The diagnostic classifications established under [MS 256.969](#), subd. 2, containing one or more diagnosis related groups (DRGs) under Medicare.

**Diagnostic Category Validation:** The process of comparing documentation in the medical record to the information submitted on the inpatient hospital billing claim to ascertain the accuracy of the information upon which the diagnostic category was assigned.

**Inpatient Hospital Service:** A service provided by or under the supervision of a physician after admission to a hospital, and furnished in the hospital, and outpatient services provided by the same hospital that immediately precede the admission.

**Medically Necessary:** An inpatient hospital service that is consistent with the member's diagnosis or condition and under the admission guidelines cannot be provided on an outpatient basis.

If PrimeWest Health is the secondary insurance, clinical information is still required for payment. Authorization should be requested at time of service and submission of an EOB from the primary insurance with the claim will help ensure accurate reimbursement. In the event primary insurance denies the inpatient stay, PrimeWest Health would pay the entire claim if medical necessity is met using our criteria.

**Out-of-Area Hospital:** A hospital located outside of PrimeWest Health's network of providers..

**Principal Diagnosis:** The condition established, after study, to be responsible for causing the admission to the hospital for inpatient hospital services.

**Principal Procedure:** A procedure performed for definitive treatment of the principal diagnosis rather than one performed for diagnostic exploratory purposes or a procedure necessary to take care of a complication. When multiple procedures are performed for definitive treatment, the principal procedure is the procedure most closely related to the principal diagnosis.

**Readmission:** An admission that occurs within 15 days of a discharge not including the day of discharge or the day of readmission.

**Retrospective Review:** A review conducted after inpatient hospital services are provided to a member. The review is focused on validating the diagnostic category, verifying recertification, where applicable, and determining the medical necessity of the admission, the medical necessity of any inpatient hospital services provided, and if all medically necessary inpatient hospital services were provided.

**Transfer:** The movement of a member after admission from one hospital directly to another hospital with a different provider number, or to or from a unit of a hospital to another unit recognized as a rehabilitation distinct part by Medicare. Transfer also includes members who move to or from a community-based extended inpatient capacity, 45-day contract psychiatric unit under contract with DHS.

## **Admissions Requiring Service Authorization (SA)**

All admissions require service authorization. Service authorizations should be requested from PrimeWest Health at the time of admission. The medical records of patients covered under PrimeWest Health are subject to retrospective review.

## **Obtaining Inpatient Service Authorization (SA)**

An admitting physician or hospital must obtain Service Authorization (SA) from PrimeWest Health when a member is admitted, readmitted, or transferred.

Service Authorization (SA) can be requested in writing, by telephone, or facsimile. In the event that the notification is attempted outside of normal business hours, PrimeWest Health is able to accept facsimile or confidential voicemail 24 hours per day, 365 days per year. A clinical administration staff member will return the call as soon as possible. Telephone and fax numbers are included at the end of this chapter.

Service Authorization's (SA) must include the following information:

- Caller/requester name and contact information;
- Member's name, PrimeWest Health ID number, date of birth, and sex;
- Date of admission, or expected date of admission;
- Expected date of discharge;
- Admitting physician's name and Tax ID number;
- Hospital's name and PrimeWest Health provider ID number, city (and state when appropriate);
- Admitting or principal diagnosis and a secondary diagnosis descriptor with codes, according to the most recent ICD-9-CM;
- Primary or principal procedure descriptor with code, when applicable, according to the most recent ICD-9-CM and anticipated date of surgery;
- Reason and source of the admission;
- Classification of request, prospective, concurrent, or retrospective; and
- Specific medical criteria and information from the plan of care to determine whether or not admission is necessary. The suggested information would initially be limited to a history of present illness, full admission orders from the medical record, and laboratory data from admission date.

If PrimeWest Health determines that the admission is medically necessary, a Service Authorization (SA) admission number will be issued. The Service Authorization (SA) number can be used only for the admission requested.

The admitting physician or hospital that obtains authorization must inform all other providers of inpatient hospital services of the Service Authorization (SA) number. Include this Service Authorization (SA) number on claims submitted for inpatient services.

If the nurse reviewer for PrimeWest Health is unable to determine medical necessity, the case is referred to a physician. If the physician determines that the admission is medically necessary authorization will be granted.

If the physician determines that the admission is not medically necessary, or is unable to determine if the admission is medically necessary, PrimeWest Health will deny the Service Authorization (SA) request. PrimeWest Clinical Administration will notify providers if additional medical information is needed to make a determination. Failure to provide legible, or complete records will result in a denial of the request.

All requests will be acted upon within 10 business days of receipt. If the attending healthcare provider determines that waiting may harm the member and urgent request can be requested and a decision will be given within 72 hours. Care related to emergency cases does not require authorization, once the members condition is stabilized, authorization will be needed to continue services.

If the inpatient admission is denied, a written notice of the denial, with the reason for the denial clearly stated, is sent to the admitting physician, the hospital, and the member. The member is also informed of his/her appeal rights. The physician and hospital are notified of their right to an appeal.

## **Concurrent, Continued Stay, and Retrospective Reviews**

PrimeWest Health performs concurrent, continued stay, and retrospective reviews. A physician is consulted

if the medical record and other supporting information do not clearly demonstrate the medical necessity of the admission, continued stay, services provided, or the reasons for the member's discharge and readmission. If the member is still an inpatient, the hospital and physician will be informed by telephone.

## Criteria to Determine Medical Necessity

The criteria used by PrimeWest Health's nurse review staff to determine medical necessity is called InterQual™. It is a multi specialty, clinically based application which utilizes clinical literature, community standards of practice, and national practice guidelines to help determine medical need, and intensity of services to manage certain conditions. Criteria used in the decision making process is available upon request by calling or writing to the areas listed below..

## Readmission

The medical records of inpatients readmitted to the hospital within 15 days may be reviewed retrospectively by PrimeWest Health. The initial admission and the readmission are reviewed to monitor quality of care (e.g., under-utilization of services, fragmented care, premature discharge), to determine if payment should be made for one or both hospitalizations, or if payment should be made according to transfer payment established by Minnesota rule.

Medical records with clearly documented situations of patient preference, leaving the hospital against medical advice, patient noncompliance, physician/hospital convenience or scheduling conflicts be given special consideration if readmission occurs.

Medical records of an admission must clearly state:

- The reason a member was discharged from the hospital; and
- What the member's status was upon discharge.

Medical records of a readmission must clearly state:

- The reason a member was readmitted; and
- What the member's medical status was at readmission.

## Billing

When billing for inpatient hospital services, enter the Service Authorization (SA) Number in the appropriate box:

- UB-04: FL-63
- If a Service Authorization Number is denied or not obtained as appropriate, patient billing is prohibited.

## PrimeWest Health Information

PrimeWest Health Clinical Administration  
2209 Jefferson St., Ste. 101  
Alexandria, MN 56308  
Toll Free: 866-431-0803 (M-F 8:00 a.m. – 4:30 p.m.)  
Toll Free Fax: 866-431-0804

The PrimeWest Health Service Authorization form can be found below or on the PrimeWest Health website:  
[www.primewest.org](http://www.primewest.org)

## Legal References

[MS 256B.04](#)

[MS 256D.03](#)

[MS 256L.03, subd. 3\(b\)](#)

[Minnesota Rules 9505.0500 to 9505.0540](#)

[Minnesota Rules 9500.1090 to 9500.1140](#)

[42 CFR 456.50 to 456.245](#)

[42 CFR 482.30](#)

**PrimeWest Health  
Inpatient Admission Authorization Request**

Please complete this service authorization form for PrimeWest Health members.

**Requests submitted with incomplete data cannot be reviewed and will  
be denied citing insufficient information  
Fax Requests to 1-866-431-0804 or contact:  
PrimeWest Health, Clinical Administration at 1-866-431-0803**

Sender's name: \_\_\_\_\_ Phone: \_\_\_\_\_  
Facility: \_\_\_\_\_ Tax ID # \_\_\_\_\_ Phone: \_\_\_\_\_  
Request Date: \_\_\_\_\_ Fax: \_\_\_\_\_  
Member Name: \_\_\_\_\_ DOB: \_\_\_\_\_  
PrimeWest Health Identification #: \_\_\_\_\_

Admitting Physician: \_\_\_\_\_ Tax ID # \_\_\_\_\_  
Attending Physician: \_\_\_\_\_ Tax ID # \_\_\_\_\_ Phone: \_\_\_\_\_  
Address: \_\_\_\_\_ City & State: \_\_\_\_\_  
Outcome Notification Address: \_\_\_\_\_ City & State: \_\_\_\_\_  
ICD-9 Diagnosis Code(s): \_\_\_\_\_  
Specific Procedure (if applicable): \_\_\_\_\_  
Admission Date: \_\_\_\_\_ Expected Discharge Date: \_\_\_\_\_

Reason (circle one) Elective Emergent Transfer Direct from \_\_\_\_\_  
Source (circle one) ED Community Nursing Facility Other \_\_\_\_\_  
Is this request in response to claim denial? Yes / No If yes. Claim # \_\_\_\_\_

**Please include supporting documentation with submission of this form. (H&P, Complete admission orders, labs, Emergency Department records, etc.)**

**Additional Comments:**

\_\_\_\_\_  
\_\_\_\_\_

**Remember:** If the inpatient stay is longer than the initial length of stay approved, the hospital is expected to provide updated information by the last date approved. If no information is submitted to support the continued inpatient services beyond the initial approval, claims may be denied until medical necessity for the services can be determined.