

Payment Policy: 10 Day Readmission

Reference Number: DE.PP.011

Last Review Date: 7/2025

[Revision Log](#)

See [Important Reminder](#) at the end of this policy for important regulatory and legal information.

Policy Overview

As a part of the Affordable Care Act (ACA), Congress mandated that CMS reduce hospital readmissions through certain payment incentives. Section 3025 of the ACA added section 1886(q) to the Social Security Act establishing the Hospital Readmissions Reduction Program, which requires CMS to reduce payments to IPPS hospitals with excess readmissions, effective for discharges beginning on October 1, 2012. The regulations that implement this provision are in subpart I of 42 CFR part 412 (§412.150 through §412.154).

Similarly, state Medicaid programs are instituting readmission reduction efforts based on CMS's initiative but tailored to meet specific state Medicaid programs. Potentially preventable readmissions to hospitals have long been recognized as a measure of quality of care. Many Medicaid programs and other payers have policies under which they may deny payment for specific readmissions that result from sub-standard care that was provided in the initial admission. Examples include repeat admissions for asthma or admissions for post-operative bleeding. In principle, denial of payment for these specific cases motivates the hospital to bring its care up to standard.

The purpose of this policy is to promote more clinically effective, cost efficient and improved health care through appropriate and safe hospital discharge of patients.

Application

This policy applies to individual hospitals or hospitals within the same hospital system.

Policy Description

This policy is based, in part, on the methodology set forth in the Quality Improvement Organization Manual, CMS Publication 100-10, Chapter 4, Section 4240, for determining an inappropriate readmission.

Analyze the cases specifically to determine whether the patient was prematurely discharged from the first confinement, thus causing readmission. Perform an analysis of the stay at the first hospital to determine the cause(s) and extent of any problem(s) (e.g., incomplete, or substandard treatment). Consider the information available to the attending physician who discharged the patient from the first confinement. Do not base a determination of a premature discharge on information that the physician or provider could not have known or events that could not have been anticipated at the time of discharge.

For a readmission that is determined to have been inappropriate or preventable according to the clinical review guidelines set forth below, The Health Plan will deny payment or reimbursement.

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A readmission will be considered to be inappropriate or preventable under the following circumstances:

- If the readmission was medically unnecessary;
- If the readmission resulted from a prior premature discharge from the same hospital or a related hospital;
- If the readmission resulted from a failure to have proper and adequate discharge planning;
- If the readmission resulted from a failure to have proper coordination between the inpatient and outpatient health care teams; and/or
- If the readmission was the result of circumvention of the contracted rate by the hospital or a related hospital.

The following readmissions are excluded from 10-day readmission review:

- Transfers from out-of-network to in-network facilities;
- Transfers of patients to receive care not available at the first facility;
- Readmissions that are planned for repetitive or staged treatments, such as cancer chemotherapy or staged surgical procedures;
- Readmissions associated with malignancies, burns, or cystic fibrosis;
- Admissions to Skilled Nursing Facilities, Long Term Acute Care facilities, and Inpatient Rehabilitation Facilities (SNF, LTAC, and IRF);
- Readmissions where the first admission had a discharge status of “left against medical advice;”
- Obstetrical readmissions;
- Readmissions ≥ 11 days from the date of discharge from the first admission.
- Age ≤ 1
- Critical Access Hospitals

If a hospital is part of a hospital system operating under the same hospital agreement, and/or if the hospital shares the same tax identification number with one or more other hospitals, then a readmission during the same 10-day period to another hospital within the same hospital system, or to another hospital operating under the same tax identification number as the first hospital, will be treated as a readmission to the same hospital and, as such, is subject to this policy.

Upon request from The Health Plan, a hospital must forward (and, if applicable, arrange for a related hospital to forward) all medical records and supporting documentation of the initial admission and readmission to The Health Plan. The initial review of the medical records will determine whether the readmission was clinically related to the initial admission. Once the readmission is determined to be clinically related, the readmission will be further evaluated to determine whether the readmission was inappropriate and/or potentially preventable. The review

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will evaluate the initial admission's appropriateness of discharge, as well as the quality of the discharge plan.

Reimbursement

Pre-Payment Review

A pre-payment review will be conducted in accordance with the provisions set forth below:

1. All hospital claims submitted for a plan member that qualify as a readmission within 10 days of a discharge from the same hospital or a related hospital are subject to clinical review.
 - Medical records for both the original and subsequent admission(s) will be requested for a claim selected for clinical review. If medical records for both the original and subsequent admission are not received, the second claim will be denied.
 - If both records are not received and a denial is issued, the hospital must submit an adjustment request or appeal request and submit the medical records for the first and subsequent admissions for further payment consideration and to initiate clinical review. Submission of medical records for only one admission will result in a denial of the adjustment or appeal request.
2. A qualified clinician will review clinical information for the admissions to determine if the readmission was inappropriate or preventable based on the above guidelines.
3. If a readmission is determined to be inappropriate, unnecessary, or preventable, written notification of the determination will be sent to the hospital and/or related hospital and payment for the readmission will be denied with one of the following denials:
 - EXym-POTENTIAL PREVENTABLE READMISSION SUBMIT BOTH MEDICAL RECORDS with a CARC-249 - This claim has been identified as a readmission.
 - EXyR-POTENTIALLY PREVENTABLE READMISSION SUBMIT ALL MEDICAL RECORDS with a CARC-249 - This claim has been identified as a readmission.
 - EXwP-POTENTIALLY PREVENTABLE READMISSION SUBMIT BOTH MEDICAL RECORDS with a CARC-249 - This claim has been identified as a readmission.

Post-Payment Review

The Health Plan will endeavor to monitor claim submissions to minimize the need for post-payment adjustments; however, The Health Plan may review payments retrospectively, if a prepayment review is not conducted.

1. If a claim is determined to be related to a previous admission (and thus could possibly be determined to be an inappropriate, unnecessary, or preventable readmission), the

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- hospital must forward (and, if applicable, arrange for a related hospital to forward) medical records for all related admissions to The Health Plan, upon its request. All clinical information from the admissions will be reviewed by a qualified clinician to determine if any readmission was inappropriate, unnecessary, or preventable based on the above guidelines.
2. If a readmission is determined to be inappropriate, unnecessary, or preventable, written notification of such determination will be sent to the hospital or related hospital, along with a request to the hospital to refund the applicable payment(s) for the readmission. If a hospital or related hospital fails to refund the applicable payment(s), The Health Plan may recover the applicable payment for the readmission by offset against future payments, unless expressly prohibited by law from doing so, or as stipulated in the hospital's contract. The hospital will receive the following denial on the readmission claim:
 - EXh2-ADJUSTED; OVERPAYMENT IDENTIFIED with a CARC – 96-Non-covered charge(s) and RARC – N10-Adjustment based on the findings of a review organization/professional consult/manual adjudication/medical advisor/dental advisor/peer review.

Utilization

Not Applicable

Documentation Requirements

Upon request from The Health Plan, a hospital or related hospital must forward all medical records and supporting documentation of the first and subsequent admission(s) to the health plan for review.

Definitions

Clinically Related – an underlying reason for a subsequent admission that is plausibly related to the care rendered during or immediately following a prior hospital admission. A clinically related readmission may have resulted from the process of care and treatment during the prior admission (e.g., readmission for a surgical wound infection) or from a lack of post admission follow-up (lack of follow-up arrangements with a primary care physician) rather than from unrelated events that occurred after the prior admission (broken leg due to trauma) within a specified readmission time interval.

Initial Admission – an inpatient admission at an acute, general, or short-term hospital, or another hospital in the same hospital system (referred to as a “related hospital”) and for which the date of discharge for such admission is used to determine whether a subsequent admission at that same hospital or a related hospital occurs within 10 days.

Potentially Preventable Readmission (PPR) – A potentially preventable readmission is a readmission (re-hospitalization within a specified time interval) that is clinically related (as

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defined above) and may have been prevented had adequate care been provided during the initial hospital stay.

Readmission – an admission to a hospital occurring within 10 days of the date of discharge from the same hospital or a related hospital. Intervening admissions to non-acute care facilities (e.g., a skilled nursing facility) are not considered readmissions and do not affect the designation of an admission as a readmission. The calculation for the 10-day readmission window is based on readmission start date minus original admission discharge date.

Calculation Example:

Original Claim:

Admission Date = 1/1/2025

Discharge Date = 1/30/2025

Readmission Claim:

Readmission Start Date = 2/9/2025

Readmission Discharge Date = 2/28/2025

10 Day Readmission Calculation:

2/9/2025 minus 1/30/2025 = 10 Days

Related Policies

Not Applicable

Related Documents or Resources

CMS Publication 100-10 (Quality Improvement Organization Manual), Chapter 4, Section 4240 (Readmission Review), available at: <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/qio110c04.pdf>

References

1. *Patient Protection and Affordable Care Act Pub. L. No, 111-148 § 3025(a), 124 Stat. 119, 408 (2010). The Affordable Care Act, Section 3025, § 1886(q), requires the Secretary to establish a Hospital Readmissions Reduction program, under which payments to applicable hospitals are reduced in order to account for certain excess readmissions, effective for discharges beginning on October 1, 2012. This section also requires the Secretary to establish a Value-Based Purchasing (VBP) Program for inpatient hospitals (Hospital VBP Program), which requires CMS to make value-based incentive payments to hospitals that meet performance standards for applicable performance periods, effective for discharges beginning on October 1, 2012.*
2. *42 CFR 412.150 through 412.154 include the rules for determining the payment adjustment under the Hospital Readmission Reductions Program for applicable hospitals to account for excess readmissions in the hospital.*

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3. *Federal Register*, Vol. 79, No. 163, August 22, 2014, pages 50024 – 50048. This FY 2015 IPPS Final Rule outlines changes in policies to implement the Hospital Readmissions Reduction Program through FY 2017. Available at: <http://www.gpo.gov/fdsys/pkg/FR-2014-08-22/pdf/2014-18545.pdf>
4. Centers for Medicare and Medicaid Readmission Reduction Program information available at: <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Readmissions-Reduction-Program.html>
5. Gerard F. Anderson and Earl P. Steinberg, "Hospital Readmissions in the Medicare Population," *New England Journal of Medicine*, 311:21 (Nov. 22, 1984), pp. 1349-1353

Revision History	
7/21/2025	DFH conversion to Delaware State guidelines from Corporate policy.

POLICY AND PROCEDURE APPROVAL

The electronic approval retained in Archer, Centene's P&P management software, is considered equivalent to a physical signature.

Vice President, Claims Operations: _____ Approval on file: _____

Director, Claims Operations: _____ Approval on file: _____