



August 4, 2017

Compliance Alert: Important Message from Medicare

Introduction

As highlighted in the latest Diamond Connect, the Centers for Medicare and Medicaid Services (CMS) announced a revision in June to the Important Message from Medicare (IMM) and The Detailed Notice of Discharge (DND) with August 28, 2017 as the effective date of use.

In addition to the issuance of new notices, health systems are finding that audits of the notice requirements are hitting their facilities. In a recent, July 31, *Report on Medicare Compliance*, it was reported that Quality Improvement Organizations (QIO), contracted through CMS are auditing the IMM along with four other CMS documents: (1) The Medicare Outpatient Observation Notice (MOON), (2) The Advance Beneficiary Notice (ABN), (3) The Hospital-Issued Notice of Non-Coverage (HINN) and (4) DND. The audits focus on (1) whether the IMM was given at time of admission, (2) whether patients signed them and (3) whether the second IMM was provided and at what time.

Executive Summary

Delivery of the IMM to the patient or representative can be a two-step process depending upon discharge date in relation to the admission date. Hospitals are required to deliver in person the original copy of the IMM at the time of or near admission but not more than seven days pre-admission and not more than two days post-admission. If the beneficiary is incapable of comprehension, CMS instructs that the IMM be delivered to and signed by the beneficiary's representative. However, should the hospital be unable to deliver the IMM to the representative then CMS requires the hospital to contact the representative by telephone to advise them of the beneficiary's rights to appeal a discharge decision. Documentation must include: (1) date / time of receipt of notice to the representative, (2) written notice mailed on day of phone notice, (3) representative notified of planned date of discharge, (4) financial liability and (5) beneficiary's right to appeal.

A follow-up IMM is required within two days prior to discharge, but not less than four hours prior to discharge if the discharge date could not be predicted. Beneficiaries must have at least four hours to consider an appeal.

Should a beneficiary appeal the planned discharge, he/she/representative is responsible for contacting the QIO no later than the planned discharge date. A DND is provided to the beneficiary with detailed rationale regarding the provider's decision for discharge.

CMS monitors discharge appeals and will charge QIOs with auditing hospital processes. It is essential for hospitals to have controls in place to ensure beneficiaries are receiving the IMM notices as deemed timely by CMS.

Background

The IMM is a statement of patients' rights, and provides the beneficiary with detailed information regarding his/her discharge appeal rights, the QIO review process, and serves to emphasize the importance of the beneficiary discussing discharge planning with his/her physician or hospital staff. CMS has provided a standardized form for use, with limited customizations by hospitals such as pre-printing of hospital's name, QIO name and telephone number.

Key Elements

- **Summary**
 - Delivery of the IMM within two days of inpatient admission and applies Medicare beneficiaries, including those who are psychiatric admissions
 - Delivery of follow-up IMM two days before discharge, but not later than four hours prior to discharge
 - IMM is to be signed/dated by beneficiary or representative acknowledging receipt and hospitals must make every effort to ensure beneficiary comprehends the contents of the notice. Ensuring comprehension means facilities may use assistive devices and interpreters in the delivery of the notice.
- **Questions Facilities Should Ask?**
 - Are current processes, policies and procedures documented and who is responsible for distribution and tracking? How are notices retained in case of an audit?
 - Have forms been updated with the latest IMM and have workflows been adjusted to be ready for the August 28, 2017 implementation date?
 - If an EHR is utilized at the facility, has scanning capability and the integration of the new forms into the EHR system been reviewed?
 - Does the facility currently audit for compliance with the notice requirements? How often and by whom?

Timing

Effective date of use for the new IMM: August 28, 2017

Additional Information

CMS Hospital Appeal Notice Information and Downloads: <https://www.cms.gov/Medicare/Medicare-General-Information/BNI/HospitalDischargeAppealNotices.html>

This alert relates to general information and is intended for informational purposes. Individual facts and circumstances based on facility/hospital structure, policy and local laws vary. Please contact Diamond's Corporate Integrity Department for facility/hospital specific questions or additional information.