

1 Department of Human Services

2

3 Adopted Permanent Rules Relating to Physician and Hospital

4 Certification for Payment of Medical Assistance and General

5 Assistance Medical Care for Inpatient Hospital Services

6

7 Rules as Adopted

8 9505.0500 DEFINITIONS.

9 Subpart 1. and 2. [Unchanged.]

10 Subp. 3. **Admission certification.** "Admission  
11 certification" means the determination of the medical review  
12 agent that all or part of a recipient's inpatient hospital  
13 services are medically necessary and that medical assistance or  
14 general assistance medical care funds may be used to pay the  
15 admitting physician, hospital, and other vendors of inpatient  
16 hospital services for providing medically necessary services,  
17 subject to parts 9500.1070, subparts 1, 4, 6, 12 to 15, and 23;  
18 9500.1090 to 9500.1155; 9505.0170 to 9505.0475; 9505.1000 to  
19 9505.1040; and 9505.5000 to 9505.5105.

20 Subp. 3a. **Admitting diagnosis.** "Admitting diagnosis"  
21 means the physician's tentative or provisional diagnosis of the  
22 recipient's condition as a basis for examination and treatment  
23 when the physician requests admission certification.

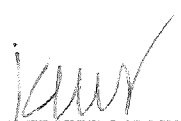
24 Subp. 4. [Unchanged.]

25 Subp. 4a. **Authorization number.** "Authorization number"  
26 means the number issued by the medical review agent that  
27 establishes that the surgical procedure requiring a second  
28 surgical opinion is medically appropriate.

29 Subp. 5. **Certification number.** "Certification number"  
30 means the number issued by the medical review agent that  
31 establishes that all or part of a recipient's inpatient hospital  
32 services are medically necessary.

33 Subp. 6. to 8. [Unchanged.]

34 Subp. 9. **Continued stay review.** "Continued stay review"  
35 means a review and determination, after the admission



1 certification and during a patient's hospitalization, of the  
2 medical necessity of continuing inpatient hospital services to  
3 the recipient.

4 Subp. 10. [Unchanged.]

5 Subp. 10a. **Diagnostic category.** "Diagnostic category"  
6 means the list of diagnosis-related groups in the diagnostic  
7 classification system established under Minnesota Statutes,  
8 section 256.969, subdivision 2, and defined in part 9500.1100,  
9 subpart 20.

10 Subp. 10b. **Diagnostic category validation or validate the**  
11 **diagnostic category.** "Diagnostic category validation" or  
12 "validate the diagnostic category" refers to the process of  
13 comparing the medical record to the information submitted on the  
14 inpatient hospital billing form required by the department to  
15 ascertain the accuracy of the information upon which the  
16 diagnostic category was assigned.

17 Subp. 11. to 13. [Unchanged.]

18 Subp. 14. **Inpatient hospital service.** "Inpatient hospital  
19 service" means a service provided by or under the supervision of  
20 a physician after a recipient's admission to a hospital and  
21 furnished in the hospital for the care and treatment of the  
22 recipient. The inpatient hospital service may be furnished by a  
23 hospital, physician, or a vendor of an ancillary service which  
24 is prescribed by a physician and which is eligible for medical  
25 assistance or general assistance medical care reimbursement.

26 Subp. 15. [Unchanged.]

27 Subp. 16. **Medical assistance or MA.** "Medical assistance"  
28 or "MA" means the program established under title XIX of the  
29 Social Security Act and Minnesota Statutes, chapter 256B. For  
30 purposes of parts 9505.0500 to 9505.0540, "medical assistance"  
31 includes general assistance medical care unless otherwise  
32 specified.

33 Subp. 17. [Unchanged.]

34 Subp. 18. **Medical review agent.** "Medical review agent"  
35 means the representative of the commissioner who is authorized  
36 by the commissioner to make decisions about admission

1 certifications, concurrent reviews, continued stay reviews,  
2 retrospective reviews, and second surgical opinions if such  
3 opinions are a term of the agent's contract with the department.

4 Subp. 19. [Unchanged.]

5 Subp. 19a. **Medically appropriate or medical**  
6 **appropriateness.** "Medically appropriate" or "medical  
7 appropriateness" refers to a determination, by a medical review  
8 agent or the department, that the recipient's need for a  
9 surgical procedure requiring a second surgical opinion meets the  
10 criteria in part 9505.0540 or that a third surgical opinion has  
11 substantiated the need for the procedure.

12 Subp. 20. and 21. [Unchanged.]

13 Subp. 22. **Physician adviser.** "Physician adviser" means a  
14 physician who practices in the specialty area of the recipient's  
15 admitting or principal diagnosis or a specialty area related to  
16 the admitting or principal diagnosis.

17 Subp. 23. [Unchanged.]

18 Subp. 23a. **Principal diagnosis.** "Principal diagnosis"  
19 means the condition established, after study, to be chiefly  
20 responsible for causing the admission of the recipient to the  
21 hospital for inpatient hospital services.

22 Subp. 23b. **Principal procedure.** "Principal procedure"  
23 means a procedure performed for definitive treatment of the  
24 recipient's principal diagnosis rather than one performed for  
25 diagnostic or exploratory purposes or a procedure necessary to  
26 take care of a complication. When multiple procedures are  
27 performed for definitive treatment, the principal procedure is  
28 the procedure most closely related to the principal diagnosis.

29 Subp. 23c. **Provider.** "Provider" means an individual or  
30 organization under an agreement with the department to furnish  
31 health services to persons eligible for the medical assistance  
32 or general assistance medical care programs. Providers include  
33 hospitals, admitting physicians, and vendors of other services.

34 Subp. 24. **Readmission.** "Readmission" means an admission  
35 that occurs within 15 days of a discharge of the same  
36 recipient. The 15-day period does not include the day of

1 discharge or the day of readmission.

2 Subp. 25. and 26. [Unchanged.]

3 Subp. 27. **Retrospective review.** "Retrospective review"  
4 means a review conducted after inpatient hospital services are  
5 provided to a recipient. The review is focused on validating  
6 the diagnostic category and determining the medical necessity of  
7 the admission, the medical necessity of any inpatient hospital  
8 services provided, the medical appropriateness of a surgical  
9 procedure requiring a second opinion, and whether all medically  
10 necessary inpatient hospital services were provided.

11 Subp. 28. **Second surgical opinion.** "Second surgical  
12 opinion" means the confirmation or denial of the medical  
13 appropriateness of a proposed surgery as specified in parts  
14 9505.5000 to 9505.5105.

15 Subp. 29. **Transfer.** "Transfer" means the movement of a  
16 recipient after admission from one hospital directly to another.

17 9505.0510 SCOPE.

18 Parts 9505.0500 to 9505.0540 establish the standards and  
19 procedures for admission certification to be followed by  
20 admitting physicians and hospitals seeking medical assistance or  
21 general assistance medical care payment under parts 9500.1090 to  
22 9500.1155 for inpatient hospital services provided to medical  
23 assistance or general assistance medical care recipients under  
24 Minnesota Statutes, chapters 256B and 256D. Parts 9505.0500 to  
25 9505.0540 are to be read in conjunction with Code of Federal  
26 Regulations, title 42, and titles XVIII and XIX of the Social  
27 Security Act. The department retains the authority to approve  
28 prior authorizations established under parts 9505.5000 to  
29 9505.5030 and second surgical opinions established under parts  
30 9505.5035 to 9505.5105. A hospital or admitting physician who  
31 seeks medical assistance or general assistance medical care  
32 payment for inpatient hospital services provided to a Minnesota  
33 recipient must comply with the requirements of parts 9505.0500  
34 to 9505.0540 unless the hospital or admitting physician has  
35 received prior authorization for inpatient hospital services

1 under parts 9505.0170 to 9505.0475. Admission certification  
2 must be obtained when a recipient moves from one hospital with a  
3 provider number to another hospital with a different provider  
4 number or from one unit within a hospital to another unit with a  
5 different provider number in the same hospital. For purposes of  
6 this part, "provider number" means a number issued by the  
7 department to a provider who has signed a provider agreement  
8 under part 9505.0195.

9 9505.0520 INPATIENT ADMISSION CERTIFICATION.

10 Subpart 1. [Unchanged.]

11 Subp. 2. Exclusions from admission certification or prior  
12 admission certification. Admission for inpatient hospital  
13 services under items A to C shall be excluded from the  
14 requirement in subpart 1.

15 A. Admission certification is not required before an  
16 emergency admission and shall be subject to subpart 4, item B.

17 B. Admission certification is not required for  
18 delivery of a newborn or a stillbirth, inpatient dental  
19 procedures, or inpatient hospital services for which a recipient  
20 has been approved under Medicare. However, if an inpatient  
21 hospital service is also covered under Medicare, then denial of  
22 an-inpatient-hospital the service under Medicare on grounds  
23 other than medical necessity shall also constitute sufficient  
24 grounds for denying admission certification for the service  
25 under medical assistance. The admission of a pregnant woman  
26 that does not result in the delivery of a newborn or a  
27 stillbirth within 24 hours of her admission shall be subject to  
28 retroactive admission certification.

29 C. Admission of a recipient who has been approved by  
30 the county for inpatient hospital services for chemical  
31 dependency as specified in parts 9530.6600 to 9530.6655 may  
32 occur without admission certification, provided that the  
33 inpatient hospital chemical dependency services to the recipient  
34 during the recipient's stay in the hospital are not to be billed  
35 to medical assistance under parts 9500.1090 to 9500.1155.

1 Subp. 3. Admitting physician responsibilities. The  
2 admitting physician who seeks medical assistance or general  
3 assistance medical care program payment for an inpatient  
4 hospital service to be provided to a recipient shall:

5 A. [Unchanged.]

6 B. Request admission certification by contacting the  
7 medical review agent either by phone or in writing and providing  
8 the information in subitems (1) to (9):

9 (1) to (5) [Unchanged.]

10 (6) whether the admission is a readmission or a  
11 transfer;

12 (7) [Unchanged.]

13 (8) information from the plan of care and the  
14 reason for admission as necessary for the medical review agent  
15 to determine if admission is medically necessary or the  
16 procedure requiring a second surgical opinion is medically  
17 appropriate; or

18 (9) when applicable, information needed to prove  
19 that a procedure requiring a second surgical opinion meets the  
20 criteria for exemption from the requirement.

21 C. Provide the following information when applicable:

22 (1) surgeon's name and medical assistance  
23 provider number;

24 (2) expected date of surgery;

25 (3) affirmation that prior authorization has been  
26 received;

27 (4) affirmation that a procedure requiring a  
28 second surgical opinion that was denied by the medical review  
29 agent has been approved by a third physician; and

30 (5) when requested by the medical review agent,  
31 documentation that the procedure requiring a second surgical  
32 opinion meets the criteria for exemption from the requirement.

33 D. Inform the hospital of the certification number.

34 E. Provide the hospital documentation necessary for  
35 the verification required in subpart 4, item D.

36 F. For purposes of billing, enter the certification

1 number, any required prior authorization number, and second  
2 surgical opinion authorization number on invoices submitted to  
3 the department for payment.

4 Subp. 4. Hospital responsibilities. A hospital that seeks  
5 medical assistance or general assistance medical care payment  
6 for inpatient hospital services provided to a recipient shall:

7 A. Obtain the certification number and the  
8 authorization number, if required under parts 9505.5000 to  
9 9505.5105, from the admitting physician.

10 B. Within 48 hours after the occurrence of an event  
11 described in subitem (1) or (2), and within 72 hours of the  
12 event described in subitem (3), excluding weekends and holidays,  
13 inform, by phone, the medical review agent of the event and  
14 provide the information required in subpart 3, items B and C, if  
15 applicable.

16 (1) An admission that is an emergency admission  
17 as specified in subpart 2.

18 (2) A surgical procedure requiring a second  
19 surgical opinion that meets the requirements of part 9505.5040,  
20 item B or C, for exemption from the second opinion.

21 (3) The admission of a pregnant woman that does  
22 not result in the delivery of a newborn or a stillbirth within  
23 24 hours of her admission, as specified in subpart 2, item B.

24 For purposes of this subitem, the time limit for notifying  
25 the medical review agent is calculated beginning with the time  
26 of the admission of the pregnant woman.

27 If the hospital fails to notify the medical review agent  
28 within the required time limit, the hospital shall submit, at  
29 its own expense, a copy of the complete medical record to the  
30 medical review agent within 30 days after the recipient's  
31 discharge. Failure to submit the record within the 30 days  
32 shall result in denial of the certification number.

33 C. For billing purposes, enter the certification  
34 number and any required prior authorization number and second  
35 surgical opinion authorization number on all invoices submitted  
36 to the department for payment.

1           D. Within 20 days, exclusive of weekends and  
2 holidays, of the date of a written request by the medical review  
3 agent, obtain and submit to the medical review agent an  
4 admitting physician's verification that a procedure requiring a  
5 second surgical opinion has been approved by a third physician.  
6 The verification must include at least the signed form required  
7 by the department to approve a procedure requiring a second  
8 surgical opinion.

9           Subp. 5. [Unchanged.]

10          Subp. 6. **Medical review agent responsibilities.** The  
11 medical review agent shall:

12           A. [Unchanged.]

13           B. determine within 24 hours of receipt of the  
14 information, exclusive of weekends and holidays, whether  
15 admission is medically necessary, whether a surgical procedure  
16 requires a second surgical opinion or is exempt from the  
17 requirement, and whether a procedure requiring a second surgical  
18 opinion meets the criteria of appropriateness established in  
19 part 9505.0540 or requires the approval of a third physician;

20           C. [Unchanged.]

21           D. mail a written notice by certified letter of the  
22 admission certification determination to the admitting physician  
23 and the hospital, and a written notice to the recipient within  
24 five days of the determination, exclusive of weekends and  
25 holidays;

26           E. determine if admission of a retroactively eligible  
27 recipient was medically necessary and if the surgical procedure  
28 requiring a second opinion was medically appropriate;

29           F. conduct a concurrent, continued stay, or  
30 retrospective review of a recipient's medical record as  
31 specified in subpart 10;

32           G. provide for a reconsideration of a denial or  
33 withdrawal of admission certification, and of an authorization  
34 number denied or withdrawn under subpart 8, item C;

35           H. recruit and coordinate the work of the physician  
36 advisers;



1 I. notify the admitting physician and the person  
2 responsible for the hospital's utilization review, by phone, of  
3 a reconsideration decision within 24 hours of the decision,  
4 exclusive of weekends and holidays;

5 J. mail a written notice by certified letter of the  
6 reconsideration decision to the admitting physician, the person  
7 responsible for the hospital's utilization review, and the  
8 department within ten days of the determination, exclusive of  
9 weekends and holidays;

10 K. provide for consideration of a request for  
11 retroactive admission certification;

12 L. validate the diagnostic category; and

13 M. perform other duties as specified in the contract  
14 between the medical review agent and the department.

15 Subp. 7. [Unchanged.]

16 Subp. 8. Procedure for admission certification or  
17 authorization of surgical procedure requiring a second surgical  
18 opinion. The procedure for admission certification or  
19 authorization of a surgical procedure requiring a second  
20 surgical opinion shall be as in items A to H.

21 A. Upon receipt of the information requested in  
22 subpart 3, items B and C, if applicable, the clinical evaluator  
23 shall review the information and determine whether the admission  
24 is medically necessary or whether a procedure requiring a second  
25 surgical opinion is appropriate or meets the criteria for  
26 exemption from the requirement.

27 B. If the clinical evaluator determines that one of  
28 the conditions in item A exists, the medical review agent shall  
29 issue a certification or authorization number.

30 C. If the clinical evaluator determines that a  
31 procedure requiring a second surgical opinion does not meet the  
32 criteria for exemption under part 9505.5040, except items B, C,  
33 and F, the medical review agent shall notify the admitting  
34 physician by phone and mail the admitting physician and the  
35 recipient a written notice within 20 days of the determination.  
36 If the exemption is denied, the recipient who wants the surgery

1 may obtain a second or third surgical opinion. Exemptions from  
2 the second surgical opinion under part 9505.5040, items B and C,  
3 shall be subject to subpart 4, item B. Exemptions from the  
4 second surgical opinion under part 9505.5040, item F, shall be  
5 subject to part 9505.5096, subpart 4. If the medical review  
6 agent determines that the procedure requiring a second surgical  
7 opinion was not entitled to an exemption or that the surgical  
8 procedure was not medically appropriate under part 9505.5040,  
9 items B, C, and F, the medical review agent shall not issue or  
10 shall withdraw the authorization number and notify the admitting  
11 physician and the hospital of denial of the authorization number.  
12 The notice shall be in writing, mailed by certified letter  
13 within 20 days of the determination, and shall state that the  
14 admitting physician or the hospital may request reconsideration  
15 of the denial under subpart 9 or may directly appeal the denial  
16 under Minnesota Statutes, chapter 14.

17 D. If the clinical evaluator is unable to determine  
18 that the admission is medically necessary or that a procedure  
19 requiring a second surgical opinion is appropriate, the  
20 evaluator shall contact a physician adviser.

21 E. If the physician adviser determines that the  
22 admission is medically necessary or that a procedure requiring a  
23 second surgical opinion is appropriate, the medical review agent  
24 shall issue a certification or authorization number.

25 F. If the physician adviser is unable to determine  
26 that the admission is medically necessary or that a procedure  
27 requiring a second surgical opinion is appropriate, the  
28 physician adviser shall notify the clinical evaluator by phone,  
29 the clinical evaluator shall notify the admitting physician by  
30 phone, and the admitting physician may request a second  
31 physician adviser's opinion, except in the case of a procedure  
32 requiring a second surgical opinion. In this case, the medical  
33 review agent shall notify the admitting physician that the  
34 recipient may obtain the opinion of a third physician as  
35 provided in parts 9505.5050 to 9505.5105.

36 G. If the admitting physician does not request a

1 second physician adviser's opinion, the medical review agent  
2 shall deny the admission certification, shall not issue a  
3 certification number, and shall notify the admitting physician,  
4 the hospital, and the recipient of the denial. The notice to  
5 the recipient shall be in writing and shall state the reasons  
6 for the denial and the recipient's right to appeal under  
7 Minnesota Statutes, section 256.045, and part 9505.0522. The  
8 notices to the admitting physician and the hospital shall be in  
9 writing, shall state the reasons for the denial, and shall state  
10 that the admitting physician or the hospital may request  
11 reconsideration of the denial under subpart 9 or may directly  
12 appeal the denial under Minnesota Statutes, chapter 14.

13 If the admitting physician requests a second physician  
14 adviser's opinion about an admission, the clinical evaluator  
15 shall contact a second physician adviser.

16 H. If the second physician adviser determines that  
17 the admission is medically necessary, the medical review agent  
18 shall issue a certification number.

19 I. If the second physician adviser is unable to  
20 determine that the admission is medically necessary, the medical  
21 review agent shall deny the admission certification, shall not  
22 issue a certification number, and shall notify the admitting  
23 physician, the hospital, and the recipient of the denial. The  
24 notice to the recipient shall be in writing and shall state the  
25 reasons for the denial and the recipient's right to appeal under  
26 Minnesota Statutes, section 256.045, and part 9505.0522. The  
27 notices to the admitting physician and the hospital shall be in  
28 writing and shall state the reasons for the denial and shall  
29 state that the admitting physician or the hospital may request  
30 reconsideration of the denial under subpart 9 or may directly  
31 appeal the denial under Minnesota Statutes, chapter 14.

32 Subp. 9. Reconsideration. The admitting physician or the  
33 hospital may request reconsideration of a decision to deny or  
34 withdraw an admission certification or an authorization number  
35 under subpart 8, item C. The admitting physician or the  
36 hospital shall submit the request in writing to the medical

1 review agent together with the recipient's medical record and  
2 any additional information within 30 days of the date of receipt  
3 of the certified letter denying or withdrawing admission  
4 certification or the authorization number. Upon receipt of the  
5 request, the medical record, and any additional information, the  
6 medical review agent shall appoint at least three physician  
7 advisers, none of whom shall have been involved previously in  
8 the procedure for the recipient's admission certification or  
9 authorization number, to hear the reconsideration. The  
10 reconsideration may be conducted by means of a telephone  
11 conference call. The physician advisers may seek additional  
12 facts and medical advice as necessary to decide whether the  
13 admission is medically necessary or whether the surgical  
14 procedure requiring a second surgical opinion meets the criteria  
15 of exemption or is medically appropriate under part 9505.5040,  
16 items B, C, and F. The reconsideration shall be completed  
17 within 45 days of the receipt of the information necessary to  
18 complete the reconsideration. The outcome of the  
19 reconsideration shall be the one chosen by the majority of the  
20 physician advisers appointed to consider the request. The  
21 admitting physician or the hospital may appeal the determination  
22 of the physician advisers according to the contested case  
23 provisions of Minnesota Statutes, chapter 14, by filing a  
24 written notice of appeal with the commissioner within 30 days of  
25 the date of receipt of the certified letter upholding the denial  
26 or withdrawal of admission certification or authorization number.  
27 However, an admitting physician or hospital that does not  
28 request reconsideration or appeal under the contested case  
29 procedures of Minnesota Statutes, chapter 14, within 30 days  
30 after the denial or withdrawal of admission certification or  
31 authorization number is not entitled to an appeal under  
32 Minnesota Statutes, chapter 14.

33 Subp. 9a. Retention or withdrawal of certification  
34 number. When a hospital discharges a recipient who is  
35 subsequently readmitted to the same or a different hospital or  
36 transfers a recipient to another hospital, the readmission or

1 transfer is subject to the procedures in part 9505.0540,  
2 subparts 3 to 6. The hospital or admitting physician who  
3 disagrees with the medical review agent's determination under  
4 this subpart may request reconsideration as specified in subpart  
5 9.

6 Subp. 10. **Medical record review and determination.** As  
7 specified in the contract between the department and the medical  
8 review agent, upon the request of the department, or upon the  
9 initiative of the medical review agent, the medical review agent  
10 shall conduct a concurrent, continued stay, or retrospective  
11 review of a recipient's medical record to validate the  
12 diagnostic category and to determine whether the admission was  
13 medically necessary, whether the inpatient hospital services  
14 were medically necessary, whether a continued stay will be  
15 medically necessary, whether all medically necessary services  
16 were provided, or whether a surgical procedure requiring a  
17 second opinion was medically appropriate. The procedure for  
18 concurrent, continued stay, and retrospective reviews shall be  
19 as in items A to G.

20 A. to C. [Unchanged.]

21 D. If a physician adviser determines that the  
22 recipient's admission was not medically necessary, that the  
23 recipient's continued stay will not be medically necessary, or  
24 that all medically necessary services were not provided, the  
25 medical review agent shall withdraw the previously issued  
26 certification number and shall notify the admitting physician  
27 and hospital by telephone within 24 hours of the determination  
28 and by certified letter mailed within five days, exclusive of  
29 weekends and holidays, of the determination. The notice shall  
30 state the right of the admitting physician and hospital to  
31 request a reconsideration or appeal under subpart 9.

32 E. If the diagnostic category validation shows that  
33 the diagnostic category was inaccurately assigned, the  
34 department shall adjust the reimbursement as applicable to the  
35 diagnostic category that is accurate for the recipient's  
36 condition.

1 F. If the medical review agent conducting a  
2 retrospective review finds the recipient's medical record is  
3 inadequate to justify that a surgical procedure requiring a  
4 second opinion is medically appropriate, or that an exemption  
5 under part 9505.5040 was appropriate, the medical review agent  
6 may request a hospital to submit, at the hospital's expense,  
7 documentation substantiating the opinion of the third physician  
8 that the surgical procedure was medically appropriate, or that  
9 the exemption under part 9505.5040 was appropriate. The  
10 hospital shall submit the documentation within 20 days,  
11 exclusive of weekends and holidays, of the date of the notice  
12 requesting the documentation.

13 G. If the clinical evaluator is unable to determine  
14 from the documentation in the recipient's medical records the  
15 reasons for the recipient's discharge and readmission, the  
16 clinical evaluator shall submit the medical records of the  
17 recipient's discharge and readmission to a physician adviser.  
18 The physician adviser shall review the records and determine the  
19 nature of the discharge and readmission according to the  
20 criteria in part 9505.0540, subparts 3 to 5, and if the  
21 determination of the medical review agent is different from that  
22 of the admitting physician or hospital, then the medical review  
23 agent shall notify the admitting physician or hospital by  
24 certified letter mailed within five days, exclusive of weekends  
25 and holidays, of the determination. The notice shall state the  
26 right of the admitting physician and hospital to request a  
27 reconsideration under subpart 9.

28 Subp. 11. Consequences of withdrawal of admission  
29 certification or authorization number; general. The department  
30 or the medical review agent shall withdraw the certification  
31 number or authorization number and may take action as specified  
32 in items A to F if the medical review agent determines any of  
33 the following: (1) that the admission was not medically  
34 necessary; (2) that all medically necessary inpatient hospital  
35 services were not provided; (3) that some or all of the  
36 inpatient hospital services were not medically necessary; (4)

1 that within 20 days, exclusive of weekends and holidays, the  
2 hospital has failed to comply with the department's or the  
3 medical review agent's request to submit the medical record or  
4 other required information to support that the admission was  
5 medically necessary, that all medically necessary inpatient  
6 hospital services were provided, or that some or all of the  
7 inpatient hospital services provided were medically necessary;  
8 or, that the information submitted by the hospital was  
9 inadequate to support that the admission was medically  
10 necessary, that all medically necessary inpatient hospital  
11 services were provided, or that some or all of the inpatient  
12 hospital services provided were medically necessary; (5) that  
13 documentation submitted by the hospital at the request of the  
14 department or the medical review agent does not support that the  
15 surgical procedure was medically appropriate, or that the  
16 exemption under part 9505.5040 was appropriate; or (6) that  
17 within 20 days, exclusive of weekends and holidays, the hospital  
18 has failed to comply with the medical review agent's request to  
19 submit documentation to substantiate the opinion of a third  
20 physician that the surgical procedure was medically appropriate,  
21 or that the exemption under part 9505.5040 was appropriate.

22         A. For hospitals receiving payments under parts  
23 9500.1090 to 9500.1155, if the admission was not medically  
24 necessary or the medical record does not adequately document  
25 that the admission was medically necessary, the entire payment  
26 shall be denied or recovered as provided in subpart 15. If the  
27 hospital failed to provide services that were medically  
28 necessary, the matter shall be referred to the department which  
29 may take action under parts 9505.1750 to 9505.2150.

30         B. For hospitals receiving payments under parts  
31 9500.1090 to 9500.1155, if the admission was medically necessary  
32 but some or all of the additional inpatient hospital services  
33 were not or will not be medically necessary, or the medical  
34 record does not adequately document that the additional  
35 inpatient hospital services were necessary, payment for the  
36 additional services shall be denied or recovered as provided in

1 subpart 15. If the hospital failed to provide services that  
2 were medically necessary, the matter shall be referred to the  
3 department which may take action under parts 9505.1750 to  
4 9505.2150.

5 C. If the admission was not medically necessary or  
6 the medical record does not adequately document that the  
7 admission was medically necessary, payment shall be denied or  
8 recovered from the admitting physician and other vendors of  
9 inpatient hospital services as provided in subpart 15. If the  
10 admitting physician and other vendors failed to provide services  
11 that were medically necessary, the matter shall be referred to  
12 the department which may take action under parts 9505.1750 to  
13 9505.2150.

14 D. If additional inpatient hospital services were not  
15 or will not be medically necessary, or the medical record did  
16 not adequately document that the additional inpatient hospital  
17 services were medically necessary, payment for the additional  
18 services shall be denied or recovered from the admitting  
19 physician and other vendors of inpatient hospital services as  
20 provided in subpart 15. If the admission was medically  
21 necessary but some or all of the inpatient hospital services  
22 were not medically necessary, the matter shall be referred to  
23 the department which may take action under parts 9505.1750 to  
24 9505.2150. If the admitting physician and vendors failed to  
25 provide services that were medically necessary, the matter shall  
26 be referred to the department which may take action under parts  
27 9505.1750 to 9505.2150.

28 E. If within 20 days, exclusive of weekends and  
29 holidays, the hospital failed to comply with the department's or  
30 the medical review agent's request to submit the medical record  
31 or other required information to support (1) that the admission  
32 was medically necessary; (2) that all medically necessary  
33 inpatient hospital services were provided; or (3) that some or  
34 all of the inpatient hospital services provided were medically  
35 necessary; or, if the information submitted by the hospital was  
36 inadequate to support clauses (1) to (3) of this item, all or



1 part of the payment shall be denied or recovered as provided in  
2 items A to D.

3 F. If the documentation does not support that the  
4 surgical procedure was medically appropriate or that the  
5 exemption under part 9505.5040 was appropriate, or if the  
6 hospital failed to comply with the medical review agent's  
7 request to submit documentation to substantiate the opinion of  
8 the third physician that the surgical procedure was medically  
9 appropriate or that the exemption under part 9505.5040 was  
10 appropriate, payment for the surgical procedure shall be denied  
11 or recovered from the hospital, admitting physician, or other  
12 vendors as provided in subpart 15.

13 Subp. 12. Reconsideration of denial or withdrawal of  
14 admission certification or authorization number. The denial or  
15 withdrawal of admission certification or authorization number  
16 may be reconsidered under subpart 9.

17 Subp. 13. and 14. [Unchanged.]

18 Subp. 15. Recovery of payment after withdrawal of  
19 admission certification or denial of authorization of second  
20 surgical procedure. An admitting physician or hospital that  
21 receives a notice of withdrawal of a certification number or  
22 authorization number and that does not request reconsideration  
23 under subpart 9 or appeal under Minnesota Statutes, chapter 14,  
24 shall be subject to recovery of payment without further notice  
25 or right to appeal. If a reconsideration results in the denial  
26 or withdrawal of a certification number or authorization number,  
27 and the admitting physician or hospital does not appeal within  
28 the time permitted pursuant to other remedies, the department  
29 shall recover payment without further notice to the admitting  
30 physician and hospital. If an appeal results in the denial or  
31 withdrawal of a certification number or authorization number,  
32 the department shall recover the payment without further notice  
33 to the admitting physician and the hospital.

34 Recovery of overpayments may be made by:

35 A. adjusting the provider's invoice to the difference  
36 between the billed amount and the correct amount;

1 B. canceling the incorrect invoice and directing the  
2 provider to submit a correct invoice;

3 C. withholding or offsetting the payment due the  
4 provider for other medical assistance or general assistance  
5 medical care services; or

6 D. using any other remedy available under state or  
7 federal law or rules.

8 9505.0521 PROHIBITION OF RECOVERY FROM RECIPIENT.

9 The provider may not seek payment from the recipient for  
10 inpatient hospital services provided under parts 9505.0500 to  
11 9505.0540 if the certification or authorization number is not  
12 issued or is withdrawn.

13 9505.0522 RECIPIENT'S RIGHT TO APPEAL.

14 A recipient who is denied inpatient hospital services  
15 because of the medical review agent's determination that the  
16 services are not medically necessary or who is denied a surgical  
17 procedure requiring a second surgical opinion because of the  
18 medical review agent's determination that the surgical procedure  
19 is not appropriate, may appeal the medical review agent's  
20 determination under Minnesota Statutes, section 256.045.

21 9505.0530 INCORPORATION BY REFERENCE OF CRITERIA TO DETERMINE  
22 MEDICAL NECESSITY.

23 The most recent edition of the Appropriateness Evaluation  
24 Protocol of the National Institutes of Health is incorporated by  
25 reference. The book is available at the Health Data Institute,  
26 20 Maguire Road, Lexington, Massachusetts, 02173, and it is also  
27 available through the Minitex interlibrary loan system. The  
28 book is subject to change.

29 The Criteria for Inpatient Psychiatric Treatment, 1981  
30 edition, published by Blue Cross and Blue Shield of Minnesota  
31 are incorporated by reference. The criteria are available at  
32 Blue Cross and Blue Shield of Minnesota, P.O. Box 64560, Saint  
33 Paul, Minnesota 55164, and at the state law library, Ford  
34 Building, Saint Paul, Minnesota 55155. The criteria are not

1 subject to frequent change.

2 9505.0540 CRITERIA TO DETERMINE MEDICAL NECESSITY OR  
3 APPROPRIATENESS.

4 Subpart 1. Determination for admission for purpose other  
5 than chemical dependency treatment. The medical review agent  
6 shall follow the Appropriateness Evaluation Protocol and  
7 Criteria for Inpatient Psychiatric Treatment of Blue Cross and  
8 Blue Shield of Minnesota in determining whether a recipient's  
9 admission is medically necessary, whether the inpatient hospital  
10 services provided to the recipient were medically necessary,  
11 whether the recipient's continued stay will be medically  
12 necessary, and whether all medically necessary inpatient  
13 hospital services were provided to the recipient.

14 In determining whether a surgical procedure requiring a  
15 second surgical opinion is medically appropriate, the medical  
16 review agent shall follow the criteria published in the State  
17 Register pursuant to Minnesota Statutes, section 256B.02,  
18 subdivision 8, paragraph 21.

19 Subp. 2. Determination for admission for chemical  
20 dependency treatment. The assessment of a recipient's need for  
21 chemical dependency treatment in a hospital shall be made  
22 according to parts 9530.6600 to 9530.6655.

23 Subp. 3. Readmission considered as a second admission. The  
24 medical review agent shall issue a certification number for a  
25 readmission that meets the criteria for medical necessity  
26 specified in subpart 1 whether the admitting and readmitting  
27 hospitals are the same or different. The medical record of the  
28 admission must state why the recipient was discharged from the  
29 hospital and what the recipient's medical status was upon  
30 discharge, and the medical record of the readmission must state  
31 why the recipient is being readmitted and what the recipient's  
32 medical status is at readmission. Both the admission and the  
33 readmission shall be subject to a retrospective review as  
34 provided in part 9505.0520, subpart 10. If the reason for the  
35 discharge and the reason for the readmission meet one set of

1 circumstances specified in items A to D, the medical review  
2 agent shall determine that both the admission and the  
3 readmission shall retain the certification number subject to the  
4 hospitals' and admitting physicians' compliance with all  
5 requirements of parts 9505.0500 to 9505.0540.

6           A. The readmission results from the recipient leaving  
7 the hospital against medical advice.

8           B. The readmission results from the recipient being  
9 noncompliant with medical advice that is recorded on the  
10 recipient's medical record as being given to the recipient at  
11 the admitting hospital. For purposes of this part, "recipient  
12 being noncompliant with medical advice" means that the  
13 recipient, fully informed of his or her medical condition, and  
14 fully understanding the need for the treatment and the follow-up  
15 discharge instructions, if any, refuses to adhere to the  
16 treatment or to follow the discharge instructions.

17           C. The readmission results from a new episode of the  
18 same diagnosis of an episodic illness or condition.

19           D. The readmission results from the fact that the  
20 recipient's discharge from the admitting hospital and  
21 readmission are medically necessary according to prevailing  
22 medical standards, practice, and usage.

23           Subp. 4. Readmission considered as continuous with  
24 admission. The medical review agent shall determine that a  
25 readmission of a recipient is continuous with the recipient's  
26 admission whether the admitting and readmitting hospitals are  
27 the same or different if the circumstances requiring the  
28 recipient's readmission meet one set of the circumstances  
29 specified in items A to C. The medical review agent shall issue  
30 a certification number if the readmission meets the criteria for  
31 medical necessity specified in subpart 1. The medical record of  
32 the admission must state why the recipient was discharged from  
33 the hospital and what the recipient's medical status was upon  
34 discharge, and the medical record of the readmission must state  
35 why the recipient is being readmitted and what the recipient's  
36 medical status is at readmission. Both the admission and the

1 readmission shall be subject to a retrospective review as  
 2 provided in part 9505.0520, subpart 10. Upon completing the  
 3 retrospective review and determining whether the readmission and  
 4 admission are consistent with item A, B, or C, the medical  
 5 review agent shall take the action specified in the item that  
 6 applies. Medical assistance payment for the inpatient hospital  
 7 services retaining the certification number after the  
 8 determination resulting from the retrospective review shall be  
 9 paid according to parts 9500.1090 to 9500.1155 for the  
 10 diagnostic category assigned to the recipient's principal  
 11 diagnosis of the admission and readmission. In each  
 12 circumstance, retention of the certification number shall be  
 13 subject to the hospital's and admitting physician's compliance  
 14 with all requirements of parts 9505.0500 to 9505.0540.

15           A. The recipient was discharged from the admitting  
 16 hospital without receiving the procedure or treatment of the  
 17 condition diagnosed during the admission because of the  
 18 hospital's or physician's preference or because of a scheduling  
 19 conflict. If the admitting and readmitting hospitals are the  
 20 same, the medical review agent shall withdraw the certification  
 21 number of the readmission and determine the admission eligible  
 22 to retain the certification number. If the admitting and  
 23 readmitting hospitals are not the same, the medical review agent  
 24 shall apply the requirements under subpart 5, item C, regarding  
 25 readmission eligible for a transfer payment.

26           B. The recipient's discharge was not appropriate  
 27 according to prevailing medical standards, practice, and usage.  
 28 If the admitting and readmitting hospitals are the same, the  
 29 medical review agent shall determine the admission eligible to  
 30 retain the certification number and withdraw the certification  
 31 number of the readmission. If the admitting and readmitting  
 32 hospitals are different, the medical review agent shall withdraw  
 33 the certification number of the admission and shall determine  
 34 the readmission eligible to retain a certification number.

35           C. The recipient's discharge and readmission to the  
 36 same hospital results from the preference of the recipient or

1 the recipient's family that the recipient's treatment be  
2 delayed, that the recipient be discharged without receiving the  
3 necessary procedure or treatment, and that the recipient be  
4 readmitted for the necessary procedure or treatment. If the  
5 admitting and readmitting hospitals are the same, the medical  
6 review agent shall determine the admission eligible to retain  
7 the certification number and withdraw the certification number  
8 of the readmission. If the admitting and readmitting hospitals  
9 are not the same, the medical review agent shall apply the  
10 requirements under subpart 5, item A, regarding readmission  
11 eligible for a transfer payment. For purposes of this part,  
12 "preference of the recipient or the recipient's family" means  
13 that the recipient or the recipient's family makes a choice to  
14 delay or change the location of inpatient hospital services, and  
15 the choice is compatible with prevailing medical standards,  
16 practices, and usage.

17 Subp. 5. Readmission eligible for transfer payment. The  
18 medical review agent shall issue a certification number for a  
19 readmission that is eligible for a transfer payment if the  
20 readmission meets the criteria for medical necessity specified  
21 in subpart 1 and a set of circumstances in item A, B, or C. The  
22 medical record of the admission must state why the recipient was  
23 discharged from the hospital and what the recipient's medical  
24 status was upon discharge, and the medical record of the  
25 readmission must state why the recipient is being readmitted and  
26 what the recipient's medical status is at readmission. The  
27 medical review agent shall conduct a retrospective review of the  
28 medical records, determine whether the readmission is consistent  
29 with the circumstances in item A, B, or C, and take the action  
30 specified in the item. Retention of the certification number by  
31 the hospital shall also be subject to the admitting physician's  
32 and hospital's compliance with all requirements of parts  
33 9505.0500 to 9505.0540.

34 A. The readmission results from the preference of the  
35 recipient or the recipient's family that the recipient be  
36 discharged from the admitting hospital without receiving the

1 necessary procedure or treatment and that the recipient be  
2 readmitted to a different hospital to obtain the necessary  
3 procedure or treatment. In this case, both hospitals shall  
4 retain their certification numbers subject to the hospitals' and  
5 admitting physicians' compliance with all requirements of parts  
6 9505.0500 to 9505.0540, and medical assistance payment to each  
7 hospital shall be made according to the transfer payment  
8 established under part 9500.1130, subpart 7, item A, for the  
9 inpatient hospital services necessary for the recipient's  
10 diagnosis and treatment.

11 B. The readmission results from a referral from one  
12 hospital to a different hospital because the recipient's  
13 medically necessary treatment was outside the scope of the first  
14 hospital's available services. In this case, both hospitals  
15 shall retain their certification numbers, and medical assistance  
16 payment to each hospital shall be made according to the transfer  
17 payment established under part 9500.1130, subpart 7, item A, for  
18 the inpatient hospital services necessary for the recipient's  
19 diagnosis and treatment. If, however, the admission to the  
20 first hospital is not due to an emergency and the first hospital  
21 knew or had reason to know at the time of admission that the  
22 inpatient hospital services that were medically necessary for  
23 the recipient's treatment or condition were outside the scope of  
24 the hospital's available services and the readmission to another  
25 hospital resulted because of the recipient's need for those  
26 services, the first hospital's certification number will be  
27 withdrawn.

28 C. The readmission results from a physician's or  
29 hospital's scheduling conflict at the admitting hospital. The  
30 medical review agent shall determine both hospitals eligible to  
31 retain their certification numbers. In this case, medical  
32 assistance payment to each hospital shall be made according to  
33 the transfer payment established under part 9500.1130, subpart  
34 7, item A, for the inpatient hospital services necessary for the  
35 recipient's diagnosis and treatment.

36 Subp. 6. Physician adviser's review of readmission. If

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1 the clinical evaluator is unable to determine from the  
2 documentation in the recipient's medical records the reasons for  
3 the recipient's discharge and readmission, the records shall be  
4 reviewed by the physician adviser, according to the procedure in  
5 part 9505.0520, subpart 10, item G.