



Kansas City

An Independent Licensee of the Blue Cross and Blue Shield Association

Payment Policy POL-PP- 251	
Subject: Two-Midnight Benchmark	
Effective Date: 10/1/2024	Committee Approval Obtained: Last Review: 1/21/2025 Next Review: 10/1/2025
<p>The most current version of our reimbursement policies can be found on our provider website. If you are using a printed version of this policy, please verify the information by going to https://providers.bluekc.com/ContactUs/PaymentPolicies</p>	
<p>Provider Payment policies are written to provide an overview of coding and payment guidelines as they pertain to claims submitted to Blue KC. These guidelines are not intended to provide billing or coding advice but to serve as a reference for facilities and providers.</p> <p>Covered services and payment are based on the member’s benefit plan and provider agreement. Providers and their office staff may use our online tools to verify effective dates and member copayments before providing services. Visit our providers page for information on member eligibility and benefits. Member liability may include, but is not limited to, co-payments, deductibles, and co-insurance. Members’ costs depend on member benefits.</p> <p>Certain services require prior authorization or referral.</p> <p>Blue KC reimburses health care providers based on your contracted rates and member benefits. Claims are subject to payment edits, which Blue KC updates regularly.</p>	
Policy	<p>Blue KC follows the payment criteria below for inpatient admissions. Blue KC complies with general coverage and benefit conditions included in Traditional Medicare rules, unless superseded by laws applicable to Medicare Advantage plans. This includes payment criteria for inpatient admissions at 42 CFR 412.3, such as the “two-midnight benchmark” (§ 412.3(d)(1)).</p> <p>The CMS final rule(4201-F) expressly allows Medicare Advantage plans to adopt internal coverage criteria when the applicable CMS published criteria are not fully established.</p> <p>CMS acknowledged that Traditional Medicare statutes, regulations, NCDs and LCDs do not always contain specific criteria for making medical necessity determinations. When that occurs, CMS has specifically noted that plans may create internal coverage criteria based on current evidence in widely used treatment guidelines or clinical literature. Plans may choose to use a product such as MCG, to assist in creating internal coverage criteria.</p> <p>In cases where CMS published criteria are not fully established Blue KC will use medical necessity criteria in determining hospital admissions and will apply MCG as a source of medical evidence to conduct these medical necessity reviews.</p> <p>MCG guidelines are accessible online at BlueKC.access.mcg.com/index .</p>

	<p>In cases where CMS published criteria are not fully established Blue KC will use medical necessity criteria</p> <p>All hospital services must be reasonable and necessary to be covered at the inpatient level. Consistent with the tow-midnight benchmark, Blue KC will review inpatient admissions to determine whether the complex medical factors documented in the patient’s medical record support the admitting physician’s reasonable expectation that the patient requires care that will cross two midnights. Blue KC will use medical necessity criteria such as MCG when conducting such reviews.</p> <p>Admission involving newly initiated mechanical ventilation (excluding anticipated intubations related to minor surgical procedures or other treatment) is generally an exception to the benchmark.</p> <p>Hospital care that is custodial, rendered for reasons of convenience or not required for the diagnosis or treatment of illness or injury is not appropriate for coverage or payment. Any documented delays in the provision of medically necessary services are excluded from time counted towards the two-midnight benchmark.</p> <p>Stays of less than 24 hours often do not meet payment criteria for inpatient admission.</p> <p>Case-by-Case Exception The “case-by-case exception” refers to criteria for payment of an inpatient admission for a member not expected to require hospital care crossing 2 midnights (including any observation stay (OBS)/outpatient time).</p> <p>In such cases, the admitting clinician expects patient to require hospital care for less than 2 midnights but based on complex medical factors documented in the medical record, judges that inpatient care is necessary (case-by-case exception). The medical record must contain sufficient documentation to make clear the rationale for the exception</p> <p>Review under the case-by-case exception typically requires the clinical judgment of a Blue KC medical director evaluating the physician’s decision based on the documented complex medical factors including, but not limited to:</p> <ul style="list-style-type: none"> ▪ member’s history ▪ comorbidities ▪ severity of signs and symptoms ▪ current medical needs and ▪ risk of an adverse event <p>Inpatient Only List Blue KC follows the CMS Inpatient Only List. Inpatient admissions where a medically necessary inpatient-only procedure is performed meet criteria for inpatient admission regardless of expected or actual length of stay.</p>
History	Approval Date: 10/1/2024 Effective Date: 10/1/2024
Review	11/5/2024 – Additional provider education provided on CMS list of criteria for inpatient admission. Links were added on CMS guidance. 1/14/2025 – Name was changed to Two-Midnight Benchmark, language added saying, in cases where CMS published criteria are not fully established Blue KC

	<p>will use medical necessity criteria in determining hospital admissions and will apply MCG as a source of medical evidence to conduct these medical necessity reviews.</p> <p>1/21/2025- changed link in policy to BlueKC.access.mcg.com/index</p>
References and Research Materials	<p>CMS 42 CFR § 412.3, available at</p> <ul style="list-style-type: none"> • https://www.ecfr.gov/current/title-42/section-412.3 <p>CMS guidance can be found in the links below.</p> <ul style="list-style-type: none"> • FAQ: 2 Midnight Inpatient Admission Guidance & Patient Status Review for Admissions • Fact Sheet: Two-Midnight Rule (Oct. 30, 2015) • 2024 Medicare Advantage and Part D Final Rule (CMS-4201-F) • FAQs Related to Coverage Criteria and Utilization Management Requirements in CMS Final Rule (CMS-4201-F) (Feb. 6, 2024)
Related Policies	N/A

This document is for informational purposes only and is not an authorization, an explanation of benefits, or a contract. Receipt of benefits is subject to satisfaction of all terms and conditions of the coverage. Medical Technology is constantly changing, and Blue KC reserves the right to review and update policies as needed.