



**FALL 2000 REGIONAL MEETINGS**

PEPP Educational Meetings for hospital providers were concluded in June. Attendance was excellent, and hospitals obtained a large volume of information to take back to their administration and staff. This focused effort has been completed; however, educational efforts and sharing of information with hospital providers will continue throughout the 6<sup>th</sup> Scope of Work.

MedQuest DRG abstraction modules for the remaining at-risk pairs will be provided on an updated CD and distributed at the Fall Regional Meetings.

Joint provider meetings will be conducted for the Health Care Quality Improvement Projects (HCQIP) and PEPP beginning in September. A numbered general memorandum with the schedule and program agenda will soon be sent to hospital administration and hospital contact staff. There will be two tracks, 4 hours each, one for HCQIP and one for PEPP. If the HCQIP and PEPP contacts are the same for your hospital, you may want to consider sending someone from your billing office, utilization review, compliance or coding departments to represent the hospital for PEPP. We will be providing project-specific feedback to the providers during the meetings. Meeting dates are as follows (location subject to change):



**September 2000**

- 20<sup>th</sup> – Gadsden, Gadsden Country Club
- 21<sup>st</sup> – Florence, Florence Conference Center
- 27<sup>th</sup> – Mobile, Adams Mark Hotel
- 28<sup>th</sup> – Dothan, Holiday Inn West

**October 2000**

- 3<sup>rd</sup> – Tuscaloosa, Bryant Conference Center
- 10<sup>th</sup> – Huntsville, Location TBA
- 11<sup>th</sup> – Montgomery, Embassy Suites
- 18<sup>th</sup> – Birmingham, Pelham Civic Complex
- 26<sup>th</sup> – Birmingham, Botanical Gardens

This issue addresses  
**Discharge Dispositions,  
Transfers and  
Combined Billing**

**PEPP Advisory Committee Members:**

Alabama Department of Public Health  
Alabama Health Information Management Association  
Alabama Hospital Association  
Fiscal Intermediary--Blue Cross/Blue Shield of Alabama  
Fiscal Intermediary--Mutual of Omaha  
Medical Association of the State of Alabama  
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Guy Handley, M.D.  
John Searcy, M.D.

Alabama Quality Assurance Foundation

Hugh Hood, M.D., PEPP Project Director  
Cynthia McIntosh, R.N., PEPP Project Manager

**PEPP Website:** Join LISTSERV on PEPP website (www.aqaf.com) for automatic notification of web site updates.

**If you would like additional information about PEPP, please contact Cynthia McIntosh, R.N., 1-800-760-4550 ext. 3506, or Hugh Hood, M.D. ext. 3118. For coding questions, access the PEPP website @ www.aqaf.com and send via E-mail or fax to: 205-970-1624, "Attention Coding Department."**



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**ADDRESS SERVICE REQUESTED**

**Discharge Dispositions,  
Transfers and  
Combined Billing**  
*Issue*

**PEPP**  
*payment error prevention program*

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*payment error prevention program*

## Discharge Dispositions, Transfers and Combined Billing

**Discharge Disposition:** Many errors identified during initial data analysis for the PEPP Unnecessary Admission Project resulted from incorrect assignment of discharge disposition on the hospital claim, particularly when patients were being transferred between facilities. Some examples of these errors were claims submitted by the hospital for two DRG payments when the patient was still an inpatient, perhaps transferred to the ICU or another unit within the hospital; a patient transferred to another PPS hospital with a discharge disposition of "01," or home; or the stay in the exempt unit housed within the acute facility billed utilizing the acute facility's provider billing number in lieu of the exempt provider number.

**Combined Billing:** The key when making the decision to combine bills will hinge on the intent of the discharge for the first admission, the medical record documentation and adherence to internal hospital policy. Documentation should be used to support intent, not an attempt to mask a quality concern. Physician documentation is crucial in supporting the decision to discharge a patient. Although the patient may be readmitted, documentation should support the physician's decision and clinical judgment used in determining medical stability of the patient at discharge.

If a patient is discharged due to hospital convenience, such as inability to schedule a procedure, and is subsequently readmitted for the procedure, the stays would be combined as one stay and one DRG would be billed. This excludes staged procedures, such as a CABG following cardiac catheterization. If the discharge is due to patient request, the hospital may bill as two admissions and submit claims for two DRG payments. The key is documentation of patient request, if applicable.

With regard to leave of absence (LOA), if the patient is sent to another facility for testing with the plan to return to your facility, it would be best to issue a LOA instead of discharging the patient. It will be the responsibility of the hospital and the treating physician issuing the LOA to determine if the patient is to be returned to their facility or admitted to the receiving hospital. This would result in a transfer disposition rather than a LOA.

**Transfers:** We have received numerous requests for clarification regarding the correct discharge disposition when transferring a patient to another facility for rehab. If you are transferring to a hospital who has not received their exempt provider number for billing purposes, you must discharge as a transfer to an acute hospital setting, "02." The law requires the hospital who is in the process of receiving exempt status to use their acute care provider number until the end of their fiscal year, after which time they begin to bill using their exempt provider number. See Federal Register Vol. 62, No. 168, Friday, August 29, 1997.

If the rehab facility is located within the acute care facility and exempt status is effective, the discharge disposition would be "05." It is the responsibility of the transferring hospital to obtain the information necessary to assign the correct discharge disposition as this will appear as an error for their facility, not the receiving hospital.

Please refer to your Medicare Hospital Manual and AQAF General Memo 88/90-03 for additional information.

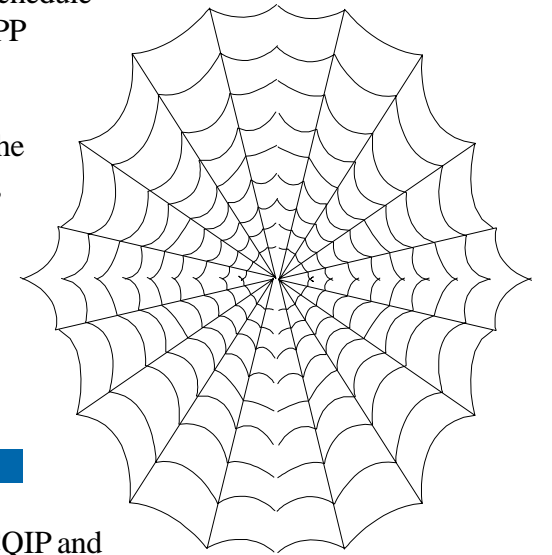
## PROVIDER REMINDER

If your hospital has not submitted a Provider Improvement Plan for PEPP, please do so as soon as possible. The PEPP contact for your hospital or someone who attended one of the recent educational meetings should have a copy of the improvement plan form. To date, we have received Provider Improvement Plans from approximately 68% of Alabama hospitals and have communicated this information to HCFA. If you have questions, please contact Cynthia McIntosh, extension 3506, or Lesia Knight, extension 3222.

## AQAF Web

The AQAF Web, [www.aqaf.com](http://www.aqaf.com), will be available to internet users soon. Much of the information you may need regarding PEPP will be available on the web site and may be downloaded for internal education in your facility. This information will include PEPP newsletters, slides from educational presentations, PEPP Q & A from regional meetings conducted in April and May 2000, and a schedule of the upcoming regional meetings presenting the HCQIP and PEPP projects.

The PEPP Compliance Notebook, made available to AQAF by the Texas PRO and offered at the regional meetings in April and May, will not be available via the web. However, if you wish to request a copy and no one at your hospital received a copy during the regional meetings, please contact Kim Oswald at 1-800-760-4550, extension 3470.



## PEPP?

There has been some confusion as to the differences between HCQIP and PEPP. The Health Care Quality Improvement Projects (HCQIP) include the initiatives directed toward Acute Myocardial Infarction, Stroke, Congestive Heart Failure, Atrial Fibrillation and Pneumonia. HCQIP is requesting periodic reports from hospital providers generated from internal data abstraction. The Medquest abstraction modules associated with these projects should be easily identified by the project name as noted above.

PEPP, or Payment Error Prevention Program, is directed primarily at payment errors resulting from unnecessary inpatient admissions, incorrect discharge disposition assignment, incorrect assignment of the provider billing number, incorrect coding of the medical record resulting in assignment of the incorrect DRG, and insufficient physician documentation in the medical record. The MedQuest modules associated with this project are admission, generic coding (DGM) and the at-risk DRG pairs. There are currently no reporting requirements for PEPP. However, a Provider Improvement Plan has been requested from every PPS hospital in Alabama and should have been forwarded to AQAF by this time.

**Next Issue: November 1, 2000**

*"PEPP Talk" is AQAF's newsletter designed as one method of disseminating PEPP-related information to the provider community. The quarterly newsletter, easily identified by the "PEPP" logo, will feature coding tips, frequently asked questions, data analysis requests and other useful information for provider staff. Coding personnel, Compliance Officers, Medical Record Directors and PPS contacts are encouraged to distribute this newsletter among personnel in their organization.*

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