



INFORMATIONAL LETTER NO. 2386-MC-FFS

DATE: October 17, 2022

TO: Iowa Medicaid Hospital Providers

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS)

FROM: Iowa Department of Health and Human Services (HHS), Iowa Medicaid

RE: Inpatient Readmissions within 30 Days for Same Condition

EFFECTIVE: Immediately

******This informational letter (IL) clarifies IL 1585.******

[IL 1585](#)¹ reiterated Iowa Medicaid's initiation of disallowance of inpatient readmissions to the same hospital, for the same condition, and which occurred within seven days of discharge. That change was the result of a 2012 cost-savings initiative approved and mandated by the legislature that year. As a result of that mandate, in September 2012, Iowa Medicaid began combining an original claim with any claim for readmission which occurred within seven days of discharge from the original admission. Prior to this change, if a patient was discharged from an inpatient admission too soon, and then subsequently readmitted to the same hospital for that same condition, the hospital would have received two full diagnosis-related group (DRG) payments for those two separate admissions.

As noted in [IL 1547](#)², such unnecessary hospital readmissions were and continue to be a recognized cost and quality issue in the health care system. Like many payors, including Medicare, Iowa Medicaid instituted its original "7-day" inpatient readmission policy to encourage more careful discharge planning and coordination for improved patient outcomes and corresponding cost savings.

In many cases, the additional net reimbursement for the adjusted hospital claim will be zero, as the combined DRG will support no further payment than what the original claim paid. In some

¹ <https://secureapp.dhs.state.ia.us/IMPA/Information/ViewDocument.aspx?viewdocument=9ddf1162-1622-4050-a6f1-424c59b7e6d0>

² <https://secureapp.dhs.state.ia.us/IMPA/Information/ViewDocument.aspx?viewdocument=2e33c604-ef92-43ec-8b1e-b37af8904e1e>

instances, however, combining both claims will result in a day outlier or cost outlier payment beyond the original payment that will be reimbursed on the adjustment.

Clarifications regarding frequently asked questions:

- The review for admission should be based on the DRG and not on diagnosis codes.
- Per diem information should be used in identifying readmissions instead of relying on diagnosis codes.
- Claims should be combined by the provider prior to submission.

Providers are responsible for, and required to self-adjust, claims within the 30-day window. FFS and managed care organizations (MCOs) will no longer internally adjust provider claims to combine all dates of service for the same condition.

If you have questions, please contact Iowa Medicaid Provider Services or the appropriate MCO:

Iowa Medicaid Provider Services for FFS members:

- Provider Services: 1-800-338-7909
- Provider email: imeproviderservices@dhs.state.ia.us

Amerigroup Iowa, Inc.:

- Provider Services: 1-800-454-3730
- Provider email: iowamedicaid@amerigroup.com
- Website: <https://providers.amerigroup.com/ia>

Iowa Total Care:

- Provider Services: 1-833-404-1061
- Provider email: Providers may send email using their account on the ITC website.
- Website: <https://www.iowatotalcare.com>