Transfer Audit

General Description
The Transfer Audit reviews all hospital claims for appropriate transfer/discharge status.

Objective
The purpose of the Transfer Audit is to ensure fair and equitable utilization and billing practices are performed by all hospitals so that no hospital can improve reimbursement at the expense of other hospitals, as well as to protect the rights of our members. Blue Cross Blue Shield of North Dakota (BCBSND) is committed to ensuring that our claims database represents correct DRGs and payment amounts.

- Review the claims for a member that have a discharge and readmit on the same or the following day.
- Review institutional claims and corresponding medical records for appropriate use of discharge disposition code.
- Inform provider of audit findings.
- Inform the provider of the appropriate use of discharge disposition code following published definitions in the Federal Register and Uniform Hospital Discharge Data Set (UHDDS).

Process
1. Inpatient acute care claims selected for review have a discharge date from one provider and an admit date to another provider within 1 day.
2. Resources that may be used include the medical record from each claim, the Federal Register and UHDDS definitions.
   - Based on the Federal Register and UHDDS definitions, the discharge status code 02 should be utilized in any instance where the patient’s care was not completed at the first facility and is transferred to another acute care facility for continuation of care. The means of transport, whether by private vehicle or ambulance, should not be a consideration when assigning the appropriate discharge status code.
   - BCBSND will accept patient status code 66 and handle it like patient status code 02 (Transferred to another short-term hospital). BCBSND does not recognize Medicare CAH status for payment purposes. Therefore, reimbursement will be affected and a transfer payment applied.
   - BCBSND will review claims submitted with status code 70. BCBSND will return any claims if another patient status code was more appropriate per the code list and claims should be resubmitted.
3. The BCBSND Medical Director provides input for cases where unusual circumstances are found.
4. The results of the audit finding are provided to the facility who transferred the patient. BCBSND provides individual case summaries and the rationale used in making a change recommendation when disagreement with the original claim submission occurs.
5. Notification for all departments at the facility regarding a Transfer Audit adverse determination on a DRG Validation claim will be sent to the Utilization Review Department. It will be the responsibility of the Utilization Review Department at each facility to forward the information to the Business Office. Any actions that will be taken for each claim should be discussed and coordinated between the two departments.

6. If an inappropriate discharge status code is found during the course of the DRG Validation Coding Audit, notification will be sent to the Medical Records Department contact person along with other communications for that quarter’s audit.

7. The providers have 45 days following this notification to request reconsiderations. The DRG Validation Audit Program Reconsideration Process is available to providers and consists of two levels of reconsideration.

8. Reference the Rebilling chapter regarding resubmissions.
HealthCare News Articles

The following page is a copy of the HealthCare News article that pertains to the Readmission Audit. Articles regarding the DRG Validation Program will periodically appear in future HealthCare News Bulletins.

- June 2006 - Revised Patient Status Code - Institutional
- February 2008 - Revised and New Patient Status Code - Institutional
Coding and Billing

Administration for Vaccines Supplied by North Dakota Department of Health

North Dakota State law limits the amount that can be charged for the administration of a vaccine supplied by the North Dakota Department of Health (NDDoH).

Modifier SL identifies immunizations given with vaccines supplied by the NDDoH. Modifier SL must be submitted with the proper vaccine CPT® code (90476 - 90749) for the vaccine administered. The corresponding charge should represent the administration of the immunization only. Charges should NOT be submitted for the vaccine itself since it is supplied by the state free of charge to the provider. Reimbursement for services submitted with modifier SL will be the lesser of:

- charges; or
- the maximum amount allowed by the State of North Dakota

Since the administration for vaccines supplied by the NDDoH is submitted using the vaccine CPT® codes (90476-90749) with the SL modifier, providers should NOT bill for administration of vaccines under the immunization administration for vaccines/toxoids CPT® codes (90465 - 90474). Blue Cross Blue Shield of North Dakota will return claims for correction that have two lines for administration of one vaccine.

The following is an example of how to correctly bill for DtaP provided by the NDDoH for a child under age 7:

<table>
<thead>
<tr>
<th>CPT® codes</th>
<th>Definition</th>
<th>Modifier</th>
<th>Charge for Administration only</th>
</tr>
</thead>
<tbody>
<tr>
<td>90700</td>
<td>DtaP, &lt;age 7, IM</td>
<td>SL</td>
<td>$X.XX</td>
</tr>
</tbody>
</table>

Revised Patient Status Code - Institutional

Effective Date: Discharges on or after January 1, 2006

A patient status code is reported on institutional claims in Form Locator 22. Medicare implemented a new patient status code 66 to use when patients are transferred to a Critical Access Hospital (CAH). Previously there was no specific code available and providers typically used patient status 01 (Discharged to home or self-care), 05 (Discharged/transferred to another type of institution not defined elsewhere in this code list) or some other code.

Blue Cross Blue Shield of North Dakota (BCBSND) will accept patient status code 66 and handle it like patient status code 02 (Transferred to another short-term hospital). BCBSND does not recognize Medicare CAH status for payment purposes. Therefore, reimbursement will be affected and a transfer payment applied.

BCBSND will review claims submitted with status code 05 and will handle as patient status code 02 if the transfer was to a Medicare defined children’s or cancer hospital. BCBSND does not recognize children’s or cancer hospitals as PPS exempt. Therefore, reimbursement will be affected and a transfer payment applied. Under the transfer methodology, the transferring hospital will receive a per diem amount, calculated by dividing the DRG rate by the average length of stay, for each day up to the full DRG rate.

Patient Status - Form Locator 22

05 Discharged/transferred to another type of institution not defined elsewhere in this code list
Usage Note:
Cancer hospitals excluded from Medicare PPS and children’s hospitals are examples of such other types of institutions.

66 Discharged/transferred to a Critical Access Hospital (CAH).
*See specific Level II HCPCS listed in HealthCare News #289 that will not be included in the surgical allowance when billed on 0278.

**See specific Level II HCPCS listed in HealthCare News #289 that will not be included in the surgical allowance when billed on 0636.

Codes that are considered surgical should be submitted on the same claim for the same stay. Units must always be one (1). Modifiers should be used if different sites need to be identified; however, surgical procedures performed bilaterally must be submitted as two separate line items to receive the correct reimbursement. Modifier 50 may be appended to one of the lines but a bilateral procedure cannot be billed as only one line with modifier 50. Use of modifier 73 (discontinued procedure prior to anesthesia) will result in a 50 percent reduction to the fee schedule amount for the procedure.

The presence of a code on the listing of surgical procedures does not indicate coverage. Any medical policies and benefits continue to apply.

**Coding and Billing**

**Revised and New Patient Status Code - Institutional**

*Update to HealthCare News #269*

*Effective Date: Discharges on or after April 1, 2008*

The National Uniform Billing Committee (NUBC) has redefined patient status code 05 and created a new patient status code 70. A patient status code is reported on institutional claims in Form Locator 17 of the UB-04 claim form. Changes and updates are in bold.

Patient status code 05 has been redefined to indicate a discharge/transfer to a designated cancer center or children’s hospital. Previously, this status code also included transfers to another type of institution not defined elsewhere in the code list. Prior to 2008, Blue Cross Blue Shield of North Dakota (BCBSND) reviewed all claims with patient status 05 to determine if the transfer was to a Medicare-defined children’s hospital, cancer center or other type of institution such as a chemical dependency residential treatment center. A transfer payment applied if the transfer was to a children’s hospital or cancer center. A transfer payment was not applied if the transfer was to an institution not defined in the code list. **BCBSND will no longer review claims submitted with patient status 05 and will always apply a transfer payment. Providers should always submit the appropriate patient status code.**

Patient status code 70 has been created to indicate discharges/transfers to another type of institution not defined elsewhere in the code list. **BCBSND will accept the new patient status code and will review claims submitted with patient status code 70.** Reimbursement will be the full DRG rate if the new code is used appropriately. BCBSND will return any claims if another patient status code was more appropriate per the code list and claims should be resubmitted. Example: It would be appropriate to use status code 70 for a transfer to an inpatient chemical dependency unit or a residential treatment center.

**Patient Status - Form Locator 17**

- **Status Code 05 - Discharge/transfer to a designated cancer center or children’s hospital**
- **Status Code 70 - Discharge/transfer to another type of health care institution not defined elsewhere in the code list**