

New Anthem Medical Policies Regarding “Readmissions” and Precertification Penalties

Insights

10.23.17

Anthem Blue Cross recently issued [two new internal Medical Policies](#) that may constitute material amendments to Anthem’s provider agreement and may have considerable adverse impact on hospitals’ reimbursement under their agreements with Anthem. Both policies go into effect on January 1, 2018.

POLICY REGARDING “READMISSIONS”

This policy provides that Anthem “does not allow separate reimbursement for claims that have been identified as a readmission to the same facility, or another facility that (i) operates under the same Facility Agreement, (ii) has the same tax identification number, or (iii) is under common ownership as Facility.” Under this policy, Anthem will use clinical coding criteria to determine if the subsequent admission is for:

- the same or closely related condition or procedure as the prior discharge;
- an infection or other complication of care;
- a condition or procedure indicative of a failed surgical intervention;
- an acute decompensation of a coexisting chronic disease;
- a need that could have reasonably been prevented by the provision of appropriate care consistent with accepted standards in the prior discharge or during the post-discharge follow-up period.

We believe that in many cases, this proposed new policy may be inconsistent with, and superseded by, the terms of the hospitals’ agreements with Anthem, as many of those agreements are based on the assumption that the hospital will be reimbursed for each separate admission regardless of the cause of the readmission.

PRE-CERTIFICATION PENALTIES

This policy provides that Anthem will impose penalties of up to 30% of the claim if the provider fails to notify Anthem of admissions within the timeframes specified in the Provider Manual. On its website, Anthem specifies that pre-certification should be provided in the following circumstances: (i) at least 24 hours before an elective admission or outpatient procedure; (ii) within 72 hours of an urgent or emergency admission; or (iii) within seven days of urgent or emergency care or an unanticipated in-office procedure.

We believe that this policy may also be inconsistent with, and superseded by, the terms of the provider agreements. We also believe that this may be unenforceable under state laws prohibiting penalties and forfeitures.

* * *

We recommend that you review your contracts with Anthem to determine what actions you should take to respond to these Anthem policy changes.

If you require assistance with this matter, or have any additional questions, please contact Daron Tooch at 310.551.8192 or Dtooch@hooperlundy.com, or Vinay Kohli at 310.551.8139 or vkohli@hooperlundy.com.

RELATED CAPABILITIES

[Managed Care](#)