



of Tennessee

1 Cameron Hill Circle
Chattanooga, TN 37402
bcbstmedicare.com

BlueCross BlueShield of Tennessee Medicare Advantage Hospital Services Review Process and FAQs

Effective Jan. 1, 2024

Does BlueCross cover the admission of a Medicare Advantage member to the hospital?

Yes. When a provider admits a patient with BlueCross Medicare Advantage coverage to the hospital, our plans provide coverage for such admissions.

What are the facility-defined levels of patient care?

The two defined levels of facility care are observation and inpatient.

Is BlueCross required by the Centers for Medicare & Medicaid Services (CMS) to follow the two-midnight presumption?

No. The “two-midnight presumption,” that all inpatient claims crossing two midnights following an inpatient admission order are “presumed” appropriate for payment, doesn’t apply to Medicare Advantage plans. CMS clarified that this presumption is a medical review instruction given to Medicare fee-for-service contractors to aid in the selection of claims for medical necessity review.

Does BlueCross follow the two-midnight benchmark?

Yes. We follow the general coverage and benefit guidelines included in Original Medicare laws, unless superseded by laws applicable to Medicare Advantage plans. This includes coverage decision criteria for inpatient admissions listed in 42 CFR 412.3, such as the two-midnight benchmark (§ 412.3(d)(1)).

Does BlueCross use medical necessity criteria for reviews?

Yes. The CMS Final Rule expects Medicare Advantage plans to comply with coverage criteria in statute, regulation, National Coverage Determinations (NCDs), Local Coverage Determinations (LCDs), and coverage and benefit conditions included in the Medicare Benefit policy manual.

The CMS Final Rule allows Medicare Advantage plans to adopt internal coverage criteria when the applicable coverage criteria in Original Medicare laws, NCDs and LCDs aren’t fully established.

The internal coverage criteria are based on current evidence in widely used treatment guidelines or clinical literature.

Does time alone (two midnights) suffice for an inpatient admission to be covered?

No. All hospital services must be reasonable and necessary to be covered at the inpatient level. We'll 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 hospital care that crosses two midnights. Reviewers apply this and other criteria from the Milliman Care Guidelines as a source of medical evidence, in addition to internal policies created in the absence of other guidance, to perform medical necessity reviews.

Hospital care that's custodial, rendered for reasons of convenience or not required for the diagnosis or treatment of illness or injury isn't appropriate for coverage or payment. Any extensive delays in the provision of medically necessary services are excluded from time counted towards the two-midnight benchmark.

It's important that our providers and facilities supply the detailed clinical records to support the physician's judgement.

Does BlueCross follow CMS' Inpatient Only (IPO) list?

Yes. Coverage of an inpatient admission for a procedure on the Medicare IPO list is fully established under the applicable Medicare regulations, regardless of the expected duration of care.