



601 12th Street
Oakland, CA 94607

December 6, 2024

Subject: Notification of updates to the Blue Shield *Hospital and Facility Guidelines Manual*

Dear Provider:

Blue Shield is revising the *Hospital and Facility Guidelines Manual (Manual)*. The changes in the provider manual sections listed below are effective February 18, 2025.

All updates included in this letter will appear in the February, 2025 version of the *Hospital and Facility Guidelines Manual* posted by January 31, 2025 on Blue Shield's Provider Connection website at www.blueshieldca.com/provider in the *Provider Manuals* section under *Guidelines & resources*.

You may also request a PDF version of the revised *Hospital and Facility Guidelines Manual* be emailed to you by emailing providermanuals@blueshieldca.com.

The *Hospital and Facility Guidelines Manual* is included by reference in the agreement between Blue Shield of California (Blue Shield) and the hospitals and other facilities contracted with Blue Shield. If a conflict arises between the *Hospital and Facility Guidelines Manual* and the agreement held by the hospital or other facility and Blue Shield, the agreement prevails.

Additionally, the updates included in this letter will also be available in the Hospital Readmission Payment Policy to view or download from Provider Connection at www.blueshieldca.com/provider by January 31, 2025. From the home page, log in, then navigate to the *Claims* section and click on *Policies & guidelines*. Next select *Payment policies and rules*. If you do not yet have an account on our website, it is fast and easy to register.

If you have any questions regarding this notice, publication of the payment policy, or about the revisions to be published in the February, 2025 version of this *Manual*, please contact your Blue Shield Provider Relations Coordinator.

Sincerely,

A handwritten signature in black ink, appearing to read "Aliza", with a horizontal line extending to the right.

Aliza Arjoyan
Senior Vice President
Provider Partnerships and Network Management

Section 4: Billing and Payment

Removed the email address TPO@blueshieldca.com throughout the entire section as this email box is invalid. For information on electronic submissions, go to Provider Connection at www.blueshieldca.com/provider, click on *Claims, Manage Electronic Transactions*, and *how to enroll in EDI* or call the EDI Help Desk at (800) 480-1221.

Claims Processing Logic and Payment Policies

Added the following new section which describes Blue Shield's Readmission Review Policy.

Readmission Review Policy

The Readmission Review Policy applies to Commercial and Medicare Advantage network acute care facilities that are reimbursed for inpatient services by diagnoses-related group (DRG) or case rate methodologies.

Blue Shield will not allow separate reimbursement for claims that have been identified as a readmission. A readmission is a subsequent acute inpatient admission to the same facility or another facility that (i) operates under the same Blue Shield facility agreement, (ii) has the same tax identification number as facility, or (iii) is under common ownership as facility, and

- 1) Occurs up to 30 days from discharge, and
- 2) Has the same or similar diagnoses as the initial admission.

Blue Shield will utilize clinical coding criteria or licensed clinical medical reviewer 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.
- An issue caused by a premature discharge from the original admission facility.

Once the initial review has identified a readmission, Blue Shield will utilize clinical coding criteria and a licensed medical professional to review the medical records related to the initial admission to determine if the readmission is a preventable readmission. The medical record review of the initial admission will focus on the following:

1. Whether discharge plans were followed according to generally accepted medical standards. These are standards that are based on credible scientific evidence published in peer-reviewed medical literature generally recognized by the relevant medical community, relying primarily on controlled clinical trials, or, if not available, observational studies from more than one institution that suggest a causal relationship between the service or treatment and health outcomes. If no credible

scientific evidence is available, then standards that are based on physician specialty society recommendations or professional standards of care may be considered.

2. Whether written discharge instructions were provided and explained to the member/caregiver prior to discharge.
3. Whether documentation supports that durable medical equipment has been arranged for the member and the member has been appropriately educated on its use.
4. Whether documentation in the hospital record indicates that an appointment was made within the first week or within an appropriate time frame after discharge from the initial admission.
5. Whether documentation indicates that all required prescriptions were given to the member and the member was educated in the appropriate use of the medication.
6. Whether appropriate telephone numbers have been given to the member for calls to the hospital or primary care provider for related discharge questions.
7. Whether documentation supports that all salient financial and social needs of the member have been addressed.
8. Whether a health care advocate/provider did an in-home safety assessment and appropriate follow up as needed.
9. Whether the member left the hospital against medical advice and readmitted within 30 days. If so, the member's readmission is not preventable.

Blue Shield will review claims subject to this policy using the following methods: Pre-adjudication Review and/or Post payment/Adjustment Review.

Exclusions

The following admission diagnoses and circumstances are excluded from this Readmission Review Policy:

- Behavioral Health / Substance Use Disorder
- Cancer-related or Encounter for Chemotherapy
- Pregnancy / Abortion / Labor / Delivery
- Admissions for covered transplant services during the global case rate period for the transplant
- Planned readmission
- Discharge status 7 (expired), 20 (patient left against medical advice), or 30 (interim claim)

Readmission Review Documentation

Providers should document the reason the member was admitted and daily progress notes on the member. The Case Manager must document all care plan associated with post-acute care transition.

Facilities must submit the following information to Blue Shield for readmission review:

- All clinical notes/charts related to initial admission and readmission(s).
- All Hospital Case Management and care transition notes/documentation related to the initial admission.

Special Billing Situations

Added the following new section that details Blue Shield’s pre-admission testing procedures for inpatient admissions.

Pre-Admission Testing

Pre-admission testing includes any service related to a patient’s planned inpatient admission on the date of admission and the three (3) calendar days preceding the date of admission, this includes the 72-hour time period immediately preceding the time of admission when the outpatient principal diagnosis is similar to, or same as, the inpatient or same day surgery diagnosis.

Diagnostic services, defined below, are considered part of pre-admission testing:

Code	Description
0254	Drugs incident to other diagnostic services
0255	Drugs incident to radiology
030X	Laboratory
031X	Laboratory pathological
032X	Radiology diagnostic
0341	Nuclear medicine, diagnostic
0343	Diagnostic Radiopharmaceuticals
035X	CT scan
0371	Anesthesia incident to Radiology
0372	Anesthesia incident to other diagnostic services
040X	Other imaging services
046X	Pulmonary function
0471	Audiology diagnostic
048X	Cardiology
053X	Osteopathic services
061X	MRI
062X	Medical/surgical supplies, incident to radiology or other diagnostic services
073X	EKG/ECG
074X	EEG
0918	Testing - Behavioral Health
092X	Other diagnostic services

Non-diagnostic services are also considered part of pre-admission testing if they are furnished in connection with the principal diagnosis that necessitates the member’s inpatient admission. Unless your agreement with Blue Shield specifies a different timeframe, pre-admission testing that occurs within 72 hours prior to the inpatient admission will be included in the DRG rate, per diem rate, case rate or any other fixed Blue Shield rate for covered services and will not be paid separately. All claims billed separately for these services must be accompanied with the appropriate ICD-10 codes.