



Dear Hospital Partner,

McLaren Health Plan (MHP) continues its commitment to working collaboratively with all our providers to adjudicate claims both timely and accurately. As a part of that process, we perform routine pre and post payment audits. Recently we identified some irregularities in the billings/payments of readmissions and transfers for all lines of business.

We realize it's important to remind our hospital partners of our criteria for these services:

Readmission

A readmission is defined as any admission within 15 days of a previous discharge, whether the readmission is to the same or different hospital. There are certain billing requirements as it relates to readmission, such as:

- Readmission within 15 days to the same Hospital (unrelated admission)
 - Hospital must submit 2 separate claims to ensure appropriate processing
 - A claim for the first admission must be submitted and paid before a claim is submitted for the 2nd admission
- Readmission within 15 days to the same Hospital (related admission)
 - MHP considers the admission and the related readmission as one episode of care for payment purposes
 - The related admissions must be combined on a single claim for payment purposes
- Readmission within 15 days to a different Hospital for a related admission
 - MHP reduces the first Hospital's payment by the amount of the second Hospital's payment but never less than \$0

Transfers

Authorization for a transfer is granted only if the transfer is medically necessary and the care/treatment is not available at the transferring Hospital. Transfer for convenience is not considered. The transferring hospital is responsible to obtain preauthorization from MHP. MHP's processes are designed to carefully monitor and control appropriate readmissions and transfers, resulting in correct payment. If non-compliance is identified, MHP will adjust payment through the recovery process.

If you have any questions, please contact your Network Development Coordinator at (888) 327-0671. MHP thanks you for the quality care you deliver.

Sincerely,

A handwritten signature in black ink that reads 'Jody Landon'. The signature is written in a cursive, flowing style.

Jody Landon

Director, Customer and Provider Services