240 – Preadmission/Admission Hospital Issued Notice of Noncoverage (HINN).
(Rev.)

*Regulations found at 42 CFR Part 476.71 require QIOs to review the medical necessity of hospital discharges **and admissions**, in addition to other requirements specified in that section of the regulation. Therefore, a beneficiary has a right to request an expedited review by the QIO when a hospital (acting directly or through its utilization review committee) has determined at the time of preadmission or admission, that the beneficiary is facing a non-covered hospital stay because the services are not considered to be reasonable and necessary in this case, the services could be safely provided in another setting, or the care is considered custodial in nature.*

The utilization review committee or the hospital may issue a preadmission/admission HINN. QIOs may also issue such notices after having been contacted by a hospital regarding care believed to be medically unnecessary, inappropriate, or custodial. The hospital need not obtain the attending physician's concurrence, or the QIO's, prior to issuing the preadmission/admission HINN. This also applies to direct admissions to swing beds (i.e., the beneficiary is admitted to the swing bed when the hospital determines that the beneficiary does not need hospital-level care, but instead needs only skilled nursing (SNF) or custodial nursing (NF) level services services).

240.1 – Delivery of the Preadmission/Admission HINN
(Rev.)

When delivering the Preadmission/Admission HINN, hospitals must follow the notice delivery requirements in Section 200.3.1 regarding

- *In-Person Delivery,*
- *Notice Delivery to Representatives,*
- *Ensuring Beneficiary Comprehension.*
- *Beneficiary Signature and Date.*
- *Refusal to Sign.*
- *Notice Delivery and Retention.*

240. 2 - Notice Delivery Timeframes and Liability
(Rev.)

Preadmission: *In preadmission situations, the beneficiary is liable, if admitted, for customary charges for all services furnished during the stay, except for those services for which he or she is eligible to receive payment under Part B.*

Admission: *If the admission notice is issued at 3 p.m. or earlier on the day of admission, the beneficiary is liable for customary charges for all services furnished after receipt of the notice, except for those services for which the beneficiary is eligible to receive payment under Part B.*

If the admission notice is issued after 3 p.m. on the day of admission, the beneficiary is liable for customary charges for all services furnished on the day following the day of receipt of the notice, except for those services for which the beneficiary is eligible to receive payment under Part B.

240.3 – Timeframes for Submitting a Request for a QIO Review

(Rev.)

Preadmission: *In preadmission situations, a beneficiary who chooses to exercise the right to a QIO review should request immediately, but no later than 3 calendar days after receipt of the notice, or if admitted, at any point during the stay, an immediate review of the facts related to the admission.*

Admission: *In admission situations, a beneficiary who chooses to exercise the right to a QIO review should request immediately, or at any point in the stay, an immediate review of the facts related to the admission.*

240.4– Results of the QIO Review.

(Rev.)

If the QIO disagrees with the hospital's determination *and says the stay is reasonable and necessary, the beneficiary will be refunded any amount collected except applicable coinsurance and deductibles, and convenience items or services not covered by Medicare.*

If the QIO agrees with the hospital determination *and says the stay is not reasonable and necessary, the*
beneficiary will be responsible for all services on the date specified by the QIO.

240.5 – Effect of the QIO Review

The QIO will send the beneficiary a formal determination of the medical necessity and appropriateness of the hospitalization determination is binding on the beneficiary, the physician, and hospital except in the following circumstances:

Right to pursue a reconsideration*. If the beneficiary is still an inpatient in the hospital and is dissatisfied with the determination, he or she may request a reconsideration according to the procedures described in §405.1204 (See Section 300 of this chapter.)*

Right to pursue the general claims appeal process. *If the beneficiary is no longer an inpatient in the hospital, the determination is subject to the general claims appeal process (See Chapter 29 of this manual.)*