Sentara Health Plans

Medicare Advantage Hospital Services Review Process: Two-Midnight Rule

Update #: **OPSMA2MID010124**

Effective Date: January 1, 2024

Current State: As Stated Below

Future State: As Stated Below

Business Owner: Medicare Program

The Two-midnight Benchmark

Sentara Health Plans complies with general coverage and benefit conditions included in Original Medicare laws. Laws that apply to Medicare Advantage plans, including payment criteria for inpatient admissions at 42 CFR 412.3, such as the “two-midnight benchmark” (§ 412.3(d)(1)) will override. The “two-midnight presumption” is a medical review instruction that applies to Medicare fee-for-service contractors and presumes inpatient stays that span two midnights after formal admissions are appropriate for payment. Per CMS, the two-midnight presumption does not apply to Medicare Advantage plans.

Medical Necessity Criteria

The CMS Final Rule allows Medicare Advantage plans to adopt internal coverage criteria when the applicable coverage criteria in Original Medicare laws, national coverage determinations (NCDs) and local coverage determinations (LCDs) are not fully established. Coverage criteria are not fully established when, for example, “additional, unspecified criteria are needed to interpret or supplement general provisions in order to determine medical necessity consistently.” Original Medicare statutes, regulations, NCDs and LCDs do not always contain specific criteria for making medical necessity determinations in every situation for every applicable Part A or B service. CMS indicates health plans may create internal coverage criteria based on current evidence in widely used treatment guidelines or clinical literature. CMS allows for InterQual criteria to be used to assist in creating internal coverage criteria.