On behalf of Adrienne Green, MD, Associate Chief Medical Officer

Because the Medicare “Two Midnight Rule” is complex, providers often misclassify patients into “observation” or “inpatient” status despite instructional language in the admission order set. In order to assure correct assignment prior to a patient’s discharge, we have built new functionality in Apex. The logic, built into the discharge order set, is aimed at catching patients who are about to be discharged and appear to be classified incorrectly as “inpatient” when they should be “observation” or vice versa.

The status change order in the discharge order set will only be present for Medicare patients who appear to be misclassified and will be auto-populated according to the Two Midnight Rule; no extra work is required. If you disagree with the auto-population, which should be rare, you can simply uncheck the box and document why the existing patient classification is correct.

Specifically, Apex logic has been written to recommend:

1. "Inpatient" status for a patient who has stayed more than 2 midnights (exception: patients who remain more than two midnights solely for "social" or placement issues)
2. "Inpatient" status for a patient who was admitted for an inpatient surgery that is specifically listed on Medicare’s “Inpatient Only List” regardless of how many nights the patient stays
3. "OBS" status for a patient who has stayed less than 2 midnights and was not hospitalized for a pre-scheduled surgery on the Medicare Inpatient Only List.

Please remember that the level or quality of care provided for your patient does not change based on the patient’s status as “inpatient” or “observation”. This is a billing and compliance distinction for Medicare.

We appreciate your ongoing efforts to help with this nuanced rule. Many thanks to Alvin Rajkomar, Martin Koenig and Elizabeth Polek for helping to build this new functionality!

For questions regarding the 2MN rule, please contact Elizabeth Polek, Director of Case Management at Elizabeth.Polek@ucsf.edu.

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