



## Clinical Claim Review

# Place of Service Review

Reduce your financial exposure.

**With the reinstatement of the financial enforcement of the Two-Midnight rule, overpayments from improper “short stay” inpatient hospitalizations will continue to be an area of significant financial exposure for payers.**

Health plans will need to ensure their medical management programs include clinician-led medical record audits of hospital stays when they are less than two midnights. HMS's

clinical claim review program includes reviews of place of service claims to identify inappropriate payments.

The purpose of a place of service review is to ensure that the medical record supports the inpatient or observation setting was billed and reimbursed.

These claims often should have been billed as an observation or outpatient level of care.

### Approach

HMS employs a highly successful approach, which targets short place of service claims that may have been billed incorrectly. In our review of these claims, HMS does not make a determination regarding medical necessity; rather, we determine whether the level of hospital care was billed correctly.

HMS uses time-tested algorithms—built and refined over many years—to target claims with the highest potential for findings. This means we only request medical records when there's a likely improper payment.

This process results in a high rate of findings, while minimizing provider abrasion that would otherwise result from requesting records inappropriately. If an inpatient stay is determined to be billed in error, the provider can rebill the claim for the level of care and services associated with the appropriate setting.

Our review team includes registered nurses and certified coders, licensed practical nurses, therapists, social workers, along with an independent panel of more than 300 physicians, all under the direction of our chief medical officer.

**HMS does not make a determination regarding medical necessity; rather, we determine whether the level of hospital care was billed correctly.**



HMS can review selected short stay/place of service claims for the following:

- The service billed (inpatient or observation), was ordered by a physician
- The documentation in the medical record supports the service billed (inpatient or observation)
- All elements affecting the reimbursement are coded accurately

### Advantages

- Advanced analytics target high value cases for review
- Superior quality results as demonstrated by low appeals overturn rates
- Clinical reviewers with experience across all specialties

### Features

- Pre- and post-payment approaches
- No member liability associated with findings
- Customizable to reflect client reimbursement policy
- Full support for rebuttals and appeals

### Potential Savings

HMS has a 40% average finding rate for place of service reviews, with an average overpayment amount of \$6,100 per claim.

**Contact HMS to realize your potential savings with place of service reviews.**

[hms.com](http://hms.com)



HMS provides the broadest range of cost containment solutions in healthcare to help payers and accountable care organizations improve performance. Using innovative and time-tested technology and analytics, we prevent and recover improper payments related to fraud, waste, and abuse. As a result of our services, customers recoup billions of dollars every year and save billions more through the prevention of erroneous payments.