

2021 hospital policy changes: Notification updates for discharge and observation stays

Frequently asked questions

Overview

To enable engagement with members in a timely manner after discharge, and to reduce risk of readmission for members, we're requiring observation stay notifications and acute discharge notifications within 24 hours, starting Jan. 1, 2021. These notifications will help ensure more members are connected to resources that support post-acute care promptly after discharge.

Update

The previous system limitation that prohibited submission of observation notifications using the Prior Authorization and Notification tool in Link has been resolved. Providers can now submit observation notifications using the Prior Authorization and Notification tool in Link as outlined below.

Key points

We're requiring acute discharge notifications and observation stay notifications within 24 hours

Providers can set up notifications through automated channels like 278N or admit discharge transfer (ADT)

Scope: Medicare Advantage and commercial health plans

Frequently asked questions

What's changing?

Effective Jan. 1, 2021, we will require observation stay notifications and acute discharge notifications as set forth below. These new notification requirements are also included in the 2021 UnitedHealthcare Administrative Guide.

- **Required discharge notification:** We must receive the discharge notification from acute facilities within 24 hours after actual weekday discharge (or by 5 p.m. local time on the next business day if the 24-hour limit would require notification on a weekend or holiday). For weekend and holiday discharges, we must receive the notification by 5 p.m. local time on the next business day.
- **Required Observation stay notification:** Observation stay notifications are required to be submitted within 24 hours of the patient no longer being held for observation (or by 5 p.m. local time on the next business day if the 24-hour limit would require notification on a weekend or holiday). For weekend and holiday admissions, we must receive the notification by 5 p.m. local time on the next business day.

Which health plans will be impacted by this change?

This change impacts UnitedHealthcare Medicare Advantage and UnitedHealthcare commercial health plans at this time. UnitedHealthcare Exchange plans, Dual Special Needs Plans and Community Plans (Medicaid) are currently out of scope for these notification requirements. Exceptions are noted below for UMR Health Plans and Neighborhood Health Plan (NHP).

In which states do the new requirements apply?

The new requirements will apply in all states for Medicare Advantage and commercial health plans. As a reminder, UnitedHealthcare Exchange plans, Dual Special Needs Plans and Community Plans (Medicaid) are currently out of scope for these notification requirements at this time.

When is an observation notification required?

Providers are required to submit an observation notification when a member is **no longer being held** for observation and is discharged to home. Post-surgical and/or diagnostic outpatient procedures do not require an observation stay notification. If the member is admitted to an inpatient stay after observation, an observation stay notification is not required. The inpatient notification and subsequent discharge notification are sufficient.

What information is required when submitting observation notifications?

For Medicare Advantage and commercial health plans, these notifications should be provided as Place of Service = Observation and Service Detail = Medical. If needed, the Service Setting = Outpatient Facility (OPF). It is critically important that the service end date is documented as the last date the member was held for observation. Please note that if a case is submitted incorrectly as inpatient (IP) or for a plan that is out of scope, the case may be cancelled. At this time, there is no need to resubmit cancelled cases. However, we request that future cases be submitted correctly as outlined above.

Are observation notifications for maternity required?

Yes. Maternity is in scope for the observation stay notification requirement. For example, an observation stay notification is required if a maternity patient is held in observation, does not deliver, is not admitted as inpatient, and is discharged to home.

Why is UnitedHealthcare implementing the new requirements?

The goals of the new requirements are enabling intervention with more members, facilitating quicker post-discharge, and supporting members with resources that reduce readmissions. These policy changes will help Optum and UnitedHealthcare identify more members to connect with to offer pre-discharge planning and post-acute care support.

Is there a penalty if I don't submit?

There's no penalty or incentive associated with submitting the required discharge and observation stay notifications, but UnitedHealthcare will assess compliance, and it is expected that providers will abide by the guidelines stated in the UnitedHealthcare Provider Administrative Guide for 2021. We will not deny claims if the required notifications are not submitted within the required timeframe. There is no look-back period or audit that will be performed during the "no penalty" period.

Do these requirements apply to UMR Health Plans?

No. The discharge and observation stay notification requirements do not apply to UMR Health Plans at this time.

Do these requirements apply to Neighborhood Health Plan (NHP)?

Yes. The discharge and observation stay notification requirements apply to NHP. However, existing policies and processes in place with NHP satisfy the new discharge and observation stay notification requirements. Providers contracted for NHP should continue to comply with the existing NHP policies and processes and maintain their current processes for supplying notifications for clinical review.

Do UnitedHealthcare Utilization Management reports satisfy the notification requirements?

No. These notification requirements are independent of UnitedHealthcare utilization management reporting. Discharge and observation stay notifications must be submitted regardless of UnitedHealthcare utilization management teams having ability to access these notifications.

Does the observation notification require submission of a clinical review?

No. There will not be a clinical review of the observation stay case to approve or deny claims. Information from the notifications is being used to enable member outreach for post-discharge support at home. Please note, NHP may require clinical review under their process.

How should providers submit the notifications? What if they can't submit electronically?

Providers should aim to submit discharge and observation notifications through automated channels, like 278N or ADT (please reference question below). If the Provider is not set up to send these notifications through automated channels, please contact your UnitedHealthcare network specialist or Provider Advocate to receive additional information on setting up this notification method. We will also support the notification intake through the Prior Authorization and Notification tool in Link, phone, or other existing channels you use.

How does a provider group set up an electronic submission?

Setting up 278N transactions

To start using the 278N transaction intake channels, you can:

- Contact your current claims processing vendor or clearinghouse
- Submit through the Optum Electronic Discharge Interchange (EDI) portal through the **UnitedHealthcare Provider Technical Assistance Page** for Electronic Data Interchange (EDI) Support
 - The best way to reach the EDI Support team is by completing our online **EDI Transaction Support Forms**, using the technical assistant page linked above. Just tell us your EDI issue, question or concern and we'll respond by phone or email.
 - For all EDI-related issues, including electronic claims (837), payer-level rejections, electronic payments and statements (835), issues with eligibility (270/271) or claim status (276/277), you can also contact us at:
 - UnitedHealthcare EDI Support: 800-842-1109 or supportedi@uhc.com
 - UnitedHealthcare Community Plan EDI Support: 800-210-8315 or ac_edi_ops@uhc.com
 - 278 EDI Operations: 278n@uhc.com or **888-804-0663**

Refer to [UHCprovider.com/edicontracts](https://uhcprovider.com/edicontracts) for a complete list of EDI contacts, which may vary based on the transaction or the payer.

Setting up ADT transactions

To set up an ADT connection with UnitedHealth Group:

- Create and initiate UnitedHealth Group contract with ADT submitter (Health Information Exchange or hospital)
- Ensure you have a per member, per year payment plan
- Establish the connectivity or integration
- When establishing the connectivity, you may acquire a 1-time fee by submitter and effort by the United Clinical Service – Clinical Data Service Management (USC CDSM) team

For questions regarding the ADT process, please contact the USC CDSM team:

- Jai Prakash Sinha, Director Technology Project/Program Management, Clinical Data Services & Technology: jai_prakash_sinha@uhc.com
- Eric Askegaard, Director of General Management, Clinical Data Services & Technology: eric_askegaard@uhg.com



We're here to help

If you have questions, please contact your **Provider Relations Representative**. For EDI submission setup support, visit the **UnitedHealthcare Provider Technical Assistance** page.



Insurance coverage provided by or through UnitedHealthcare Insurance Company or its affiliates. Health plan coverage provided by UnitedHealthcare of Arizona, Inc., UHC of California DBA UnitedHealthcare of California, UnitedHealthcare Benefits Plan of California, UnitedHealthcare of Colorado, Inc., UnitedHealthcare of the Mid-Atlantic, Inc., MAMSI Life and Health Insurance Company, UnitedHealthcare of New York, Inc., UnitedHealthcare Insurance Company of New York, UnitedHealthcare of Oklahoma, Inc., UnitedHealthcare of Oregon, Inc., UnitedHealthcare of Pennsylvania, Inc., UnitedHealthcare of Texas, Inc., UnitedHealthcare Benefits of Texas, Inc., UnitedHealthcare of Utah, Inc., UnitedHealthcare of Washington, Inc., Optimum Choice, Inc., Oxford Health Insurance, Inc., Oxford Health Plans (NJ), Inc., Oxford Health Plans (CT), Inc., All Savers Insurance Company, or other affiliates. Administrative services provided by OptumHealth Care Solutions, LLC, OptumRx, Oxford Health Plans LLC, United HealthCare Services, Inc., or other affiliates. Behavioral health products provided by U.S. Behavioral Health Plan, California (USBHPC), or its affiliates.