




72 Hour Rule

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MEMORANDUM

TO: Chief Financial Officers

FROM: Dennis N. Phelps  Associate Director - Audit & Compliance

DATE: February 9, 1998

RE: 72 Hour Rule

The purpose of this memorandum is to reaffirm the HSCRC's definition of "inpatient services" as it applies to services provided within 72 hours of admission.

The jurisdiction of the HSCRC to set rates for inpatient services is driven by the Medicare definition of the term "inpatient hospital services" (Health-General Article §19-201, Annotated Code of Maryland). The Commission's jurisdiction to set rates for inpatient hospital services changed in 1991 when the Omnibus Budget Reconciliation Act of 1990 ("OBRA") was enacted. OBRA directed that diagnostic services including clinical diagnostic laboratory tests, and subsequently, all services related to the admission performed by the admitting hospital or by an entity wholly owned or operated by the hospital within three days before the date of admission, were to be considered inpatient hospital services for Medicare enrollees.

All hospitals under the jurisdiction of the Commission must include the aforementioned services on the inpatient bills of **all patients without regard to payer**. As a result of OBRA, these services fall under the rate setting jurisdiction of the Commission, and rates approved for these services by the Commission represent the rates that must be charged to **all payers**. This requirement has **not changed and remains in force**.

If you have any questions, you may contact me at (410) 764-2565.