

# This Computes!



**Department of Health Services  
Children's Medical Services Network  
(CMS Net) - Information Bulletin # 90**

## **Inpatient Hospital SAR Issues**

Two issues have surfaced with the payment of inpatient hospital stays that need clarification:

First is regarding the issuance of extensions for stays exceeding the number of days on the original SAR. As you may be aware, the current payment system at EDS does not link extension SAR's to the original, as is the case in the Medi-Cal TAR system. Therefore, if you issue an extension SAR, you need to instruct the hospital that they must split bill the service using each SAR for the days specifically authorized for each time period. If they do not split bill the claim will deny.

We are working on a change to the system that will allow SARs to be modified; once this is in place, extension requests will be handled on the original SAR and no extension will be required. **Until this change is in place the hospital must split bill, or simply issue a completely new SAR that covers the entire stay thereby allowing the hospital to bill one claim using the new SAR number.** It is not necessary to cancel the original SAR as it could not be used by the hospital anyway.

The second issue that has come up recently, is inpatient claims denying because the number of days billed does not match the number of days authorized on the SAR. In researching this issue we have determined that the problem lies with SARs being issued that do not include the day of discharge/transfer or death on the SAR. Even though the hospital will not get paid for this day, they are required to include it on their claim, therefore, **the SAR MUST also include the discharge day as an authorized day.**