

Aetna Better Health® Premier Plan - Provider Notice: Level Severity Inpatient (IP) Review and Reimbursement

Dear Providers,

This update applies to all Medicare participating diagnosis related group (DRG) facilities with a Medicare Allowable contracting method and facilities with a percentage of billed contracting method.

Effective November 15, 2025, we'll implement a new reimbursement approach for hospital stays of 1+ midnight in cases where both of the following apply:

- A patient is urgently or emergently admitted to a hospital.
- The admission does not meet inpatient criteria as decided by the medical director.

In cases like those above,

- If the admission *does not meet* MCG criteria for a stay of 1+ midnight, we will automatically authorize a payment at the lower level of severity inpatient rate.*
- If the admission *meets* MCG criteria for a stay of 1+ midnight, we will authorize payment at the high-severity inpatient rate; that is, the full inpatient contracted rate.

How this change helps you

We are committed to streamlining, simplifying and enhancing your provider experience.

- Faster payment reduces your administrative burden and enhances your cash flow.
- Stays that meet clinical criteria still receive full payment.

About your rate

Your lower level of severity inpatient rate for a stay of 1+ midnight, which will be automatically authorized without additional administrative burden, is comparable to your existing rate paid for observation stays.

More information

You can check [our provider portal on Availity](#) for further rate information.**

Q & A

What is the effective date of the Level Severity Inpatient Payment Policy?	November 15, 2025
Does the Severity Inpatient Payment Policy apply to all lines of business?	No, the policy only applies to Medicare.
What will happen starting November 15, 2025 with Medicare Inpatient admissions?	<p>We will adopt a new reimbursement approach for hospital stays of 1+ midnight in cases where a Medicare member is urgently or emergently admitted to a hospital and the provider has submitted an inpatient order.</p> <p>If the 1+inpatient stay meets MCG (currently adopted as Aetna Supplemental Guidelines for inpatient admissions), the claim will be paid at the inpatient rate in accordance with the hospital agreement.</p> <p>Under the new payment methodology, we will not use MCG to determine whether an inpatient stay is medically necessary. Instead, we will use MCG to determine the severity of an inpatient admission and whether that severity justifies the inpatient contracted rate.</p> <ul style="list-style-type: none"> • If severity justified, we allow the inpatient contracted rate. • If severity not justified, we allow at a lower level severity and will allow the lower level severity rate. <p>This Policy does not apply to stays less than 1 midnight. Cases less than 1 midnight will still be subject to medical necessity reviews under using CMS guidelines. These cases will either be authorized or denied. The less than 1 midnight will not receive the lower level of severity rate.</p>
What is the lower severity rate?	Need to attach spreadsheet / Link to spreadsheet
Is there a benefit to deviate from this policy?	No, as this will allow you to receive faster payment for hospital stays of 1+ midnight.

Can I dispute a lower severity rate/decision?	Yes, you maintain your right to dispute for the inpatient reimbursement rate.
Are there any exceptions for less than 1 day to pay inpatient contracted rate?	Examples include but are not limited to: Unexpected death, CMS Inpatient Only List, initiated mechanical ventilation, and election of hospice in lieu of continued treatment in the hospital. Our existing payment policies applies to these cases.
Does this apply to all providers?	No, the policy only applies to DRG / MDALLW Notes: The following are excluded: <ul style="list-style-type: none">• All other providers with a different payment method other than DRG / MDALLW• Maryland providers
How was this communicated to providers?	This information was published in the August 2025 OLU.

Questions?

If you have general questions about this communication, please contact our **Provider Services Department**:

By Phone: 1-855-676-5772 (TTY: 711)

By Email: COEProviderServices@aetna.com

*Exceptions include but are not limited to unexpected death, hospital transfer, departure against medical advice, clinical improvement, and election of hospice in lieu of continued treatment in the hospital.

**Availity® is available only to providers in the U.S. and its territories.

Note to Washington State providers: For commercial plans, your effective date for changes described in this article will be communicated to you following regulatory review.

Note to Maine and Vermont providers: For commercial plans, your effective date for routine changes described in this article will be the statutory date of January 1, April 1, July 1 or October 1, whichever date follows the effective date(s) referred to in this article. Changes required by state or federal law, or pursuant to revisions of Current Procedural Terminology (CPT®) codes published by the American Medical Association, may be effective outside the statutory dates outlined above.