Payment Adjustment for Provider Preventable Conditions (PPC's)

Effective for Dates of Service October 1, 2011, and thereafter; Medicaid is mandated to meet the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for Provider-Preventable Conditions (PPC's).

Provider Preventable Conditions are clearly defined into two separate categories: Healthcare Acquired Conditions and Other Provider Preventable Conditions (OPPC's).

Healthcare Acquired Conditions include Hospital Acquired Conditions (HAC's). Other Provider Preventable Conditions refer to OPPCs (surgery on a wrong body part, wrong surgery on a patient, surgery on a wrong patient).

No reduction in payment for a PPC will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.

Reductions in provider payment may be limited to the extent that the identified PPCs would otherwise result in an increase in payment. It is the responsibility of the **provider** to identify and report any PPC and **not seek payment** from Medicaid for any additional expenses incurred as a result from the PPC.

Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.

To be reportable, PPC's must meet the following criteria:

- The PPC must be reasonably preventable as determined by a root cause analysis or some other means.

- The PPC must be within the control of the provider.

- The PPC must be clearly and unambiguously the result of a preventable mistake made and provider procedures not followed, and not an event that could otherwise occur.

- The PPC must result in significant harm. The OPPC's for consideration should be limited to those that yield a serious adverse result. Serious adverse result is defined as one that results in death, a serious disability or a substantial increase in the duration and/or complexity of care that is well beyond the norm for treatment of the presenting condition. A serious disability is defined as a major

loss of function that endures for more than 30 days, is not present at the time services were sought and is not related to the presenting condition.

- Any process for identifying non-payable events must actively incorporate some element of case-by-case review and determination. While the source and cause of some adverse events may be clear, most would require further investigation and internal root cause analysis to determine the cause of the serious preventable event and to assign ultimate accountability.

Inpatient Hospitals (acute and psych), Residential Treatment Facilities, Outpatient Hospitals, FQHC's, PBRHC's, IRHC's, Health Department Clinics, ASC's, Physicians and Other Practitioners must report Other Provider-Preventable Conditions (OPPCs)

The following OPPCs must be reported to Medicaid by encrypted emailing of the required information to:

AdverseEvents@medicaid.alabama.gov.   Providers that do not currently have a password for the Adverse Event reporting may request one by contacting Patricia Williamson at patricia.williamson@medicaid.alabama.gov or via phone at 334-353-4142.

Reportable OPPCs include:
- Surgery on a wrong body part or site
- Wrong surgery on a patient
- Surgery on a wrong patient

The following information is required for reporting:
- Recipient first and last name
- Date of birth
- Medicaid number
- Date event occurred
- Event type

A sample form is on the Alabama Medicaid Agency website at www.medicaid.alabama.gov under Programs/Medical Services/Hospital Services. Providers may submit their own form as long as it contains all of the required information.

<u>Inpatient Acute Care Hospitals and Inpatient Psychiatric Hospitals (including Residential Treatment Facilities) must report Hospital Acquired Conditions (HACs)</u>

Inpatient Acute Care Hospitals and Inpatient Psychiatric Hospitals are paid based on a daily per diem rate. It is the responsibility of the hospital to identify any Hospital-Acquired Condition (HAC) and not seek payment for any additional days that have lengthened a recipient's stay due to a HAC. These days should be reported on the UB-04 claim with a value code of '81' and an amount greater than '0'.

<u>Reporting Hospital-Acquired Conditions (HAC) and Present on Admission (POA) on the UB-04 claim form</u>

Acute care hospitals and inpatient psychiatric hospitals should use the POA indicator on claims for HACs listed below; with the exception of Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients as identified by Medicare. If no claim is submitted for the HAC or the claim cannot be billed on a UB-04 claim form, then the Alabama Medicaid Agency is to be notified via encrypted e-mail at AdverseEvents@medicaid.alabama.gov. (see reporting information above)

Below are HAC's with ICD-9 Codes that hospitals are required to report on the UB-04 claim form:

Selected HAC	CC/MCC (ICD-9-CM Codes)
Foreign Object Retained After Surgery	998.4 (CC) and 998.7 (CC)
Air Embolism	999.1 (MCC)
Blood Incompatibility	999.60 (CC) 999.61 (CC) 999.62 (CC) 999.63 (CC) 999.69 (CC)
Pressure Ulcer Stages III & IV	707.23 (MCC) and 707.24 (MCC)

Selected HAC	CC/MCC (ICD-9-CM Codes)
Falls and Trauma: -Fracture -Dislocation -Intracranial Injury -Crushing Injury -Burn -Electric Shock	Codes within these ranges on the CC/MCC list: 800-829.1 830-839.9 850-854.1 925-929.9 940-949.5 991-994.9
Catheter-Associated Urinary Tract Infection (UTI)	996.64—Also excludes the following from acting as a CC/MCC: 112.2 (CC), 590.10 (CC), 590.11 (MCC), 590.2 (MCC), 590.3 (CC), 590.80 (CC), 590.81 (CC), 595.0 (CC), 597.0 (CC), 599.0 (CC)
Vascular Catheter-Associated Infection	999.31 (CC)
Manifestations of poor glycemic control	250.10-250.13 (MCC), 250.20-250.23 (MCC), 251.0 (CC), 249.10-249.11 (MCC), 249.20-249.21 (MCC)
Surgical Site Infection, Mediastinitis, Following Coronary Artery Bypass Graft (CABG)	519.2 (MCC) and one of the following procedure codes: 36.10-36.19.
Surgical Site Infection Following Certain Orthopedic Procedures	996.67 (CC) OR 998.59 (CC) and one of the following procedure codes: 81.01-81.08, 81.23-81.24, 81.31-81.38, 81.83, or 81.85.
Surgical Site Infection Following Bariatric Surgery for Obesity	Principal Diagnosis code-278.01 OR 998.59 (CC) and one of the following procedure codes: 44.38,44.39, or 44.95
Deep Vein Thrombosis and Pulmonary Embolism Following Certain Orthopedic Procedures	415.11 (MCC), 415.19 (MCC), or 453.40-453.42 and one of the following procedure codes: 81.51-81.52, 81.54.

The hospital may use documentation from the physician's qualifying diagnoses to identify POA which must be documented within 72 hours of the occurrence. Medicaid also recommends that the PPC be reported to Medicaid on the claim or via e-mail within 45 days of occurrence.

Medicaid will accept all POA indicators as listed below:

- **Y**-Yes. Diagnosis was present at time of inpatient admission.

- **N**-No. Diagnosis was not present at time of inpatient admission.

- **U**-No information in the record. Documentation insufficient to determine if the condition was present at the time of inpatient admission.

- **W**-Clinically undetermined. Provider unable to clinically determine whether the condition was present at the time of inpatient admission.

- **1**-Unreported/Not used. Exempt from POA reporting.

Hospital records will be retroactively reviewed by Medicaid's contracted Quality Improvement Organization (QIO). If any days are identified that are associated with a lengthened stay due to a PPC; then Medicaid will initiate recoupment for the identified overpayment.

It is the hospital's responsibility to include all supporting documentation with the chart for a review to be conducted by Medicaid's contracted Quality Improvement Organization (QIO). Submission of a root cause analysis is not required but may be submitted as part of the documentation to support billing.

If you have any questions, please contact Patricia Williamson via e-mail at patricia.williamson@medicaid.alabama.gov or phone at 334-353-4142.