



ADMINISTRATIVE POLICY STATEMENT OHIO MEDICAID

Policy Name		Policy Number	Date Effective
Healthcare Acquired Conditions (HAC)		AD-1116	02/01/2022
Policy Type			
Medical	ADMINISTRATIVE	Pharmacy	Reimbursement

Administrative Policy Statements prepared by CareSource and its affiliates are derived from literature based on and supported by clinical guidelines, nationally recognized utilization and technology assessment guidelines, other medical management industry standards, and published MCO clinical policy guidelines. Medically necessary services include, but are not limited to, those health care services or supplies that are proper and necessary for the diagnosis or treatment of disease, illness, or injury and without which the patient can be expected to suffer prolonged, increased or new morbidity, impairment of function, dysfunction of a body organ or part, or significant pain and discomfort. These services meet the standards of good medical practice in the local area, are the lowest cost alternative, and are not provided mainly for the convenience of the member or provider. Medically necessary services also include those services defined in any Evidence of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other policies and procedures.

Administrative Policy Statements prepared by CareSource and its affiliates do not ensure an authorization or payment of services. Please refer to the plan contract (often referred to as the Evidence of Coverage) for the service(s) referenced in the Administrative Policy Statement. If there is a conflict between the Administrative Policy Statement and the plan contract (i.e., Evidence of Coverage), then the plan contract (i.e., Evidence of Coverage) will be the controlling document used to make the determination.

According to the rules of Mental Health Parity Addiction Equity Act (MHPAEA), coverage for the diagnosis and treatment of a behavioral health disorder will not be subject to any limitations that are less favorable than the limitations that apply to medical conditions as covered under this policy.

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A. Subject

Healthcare Acquired Conditions and Never Events

B. Background

In a 1999 landmark report, the Institute of Medicine estimated that preventable medical errors resulted in as many as 98,000 deaths per year in U.S. hospitals and substantial additional health care costs (Institute of Medicine, 1999). Most medical errors are preventable, and some can cause harmful or even disastrous results. Few of these medical errors are related to negligence or professional misconduct. The Institute of Medicine called for a 50% reduction in the number of deaths due to medical errors in five years.

Accordingly, in 2002 the National Quality Forum developed an initial standardized list of 27 serious reportable events that would facilitate reporting of such occurrences. Serious reportable events consist of never events (i.e., alarming medical errors that should never happen) and preventable adverse events (i.e., events that could be reasonably prevented if evidence-based policies and procedures are followed). Since then, the serious reportable events list has been revised twice, most recently in 2011, and now consists of 29 serious reportable events grouped into seven categories: surgical, product or device, patient protection, care management, environmental, radiologic, and criminal

U.S. Center for Medicare & Medicaid Services. Department of Health and Human Services. Code of Federal Regulations. Subchapter C—Medical Assistance Programs. 42 CFR Part 438 – Managed Care. U.S. Center for Medicare & Medicaid Services. Department of Health and Human Services. Code of Federal Regulations. Subchapter C—Medical Assistance Programs. 42 CFR Part 438 – Managed Care. Per CMS The National Quality Forum (NQF) states that Never Events are errors in medical care that concern both the public and health care professionals and providers, clearly identifiable and measurable.

The HAC reduction program encourages hospitals to improve patients' safety and reduce the number of conditions people experience from their time inpatient such as pressure ulcers.

Sentinel events happen anywhere along the healthcare spectrum and never events are classified in this category by the NQF.

The Tax Relief and Health Care Act of 2006 mandates that the Office of Inspector General report to Congress regarding the incidence of "never events" among Medicare beneficiaries, the payment for services in connection with such events, and the Centers for Medicare and Medicaid Services (CMS) processes to identify events and deny payment.

C. Definitions

- **Never Events** – Serious and costly errors in health care services that cause serious harm, injury, or death to beneficiaries. Also sometimes referred to as preventable

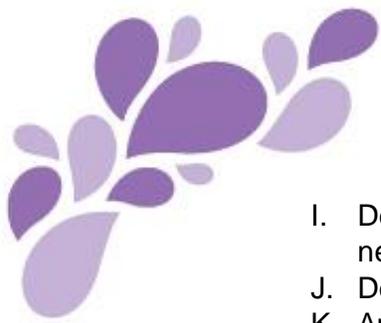


adverse effects or sentinel events, and are characterized as unambiguous, clearly identifiable, measurable, and feasible to include in a reporting system; usually preventable, recognizing that some events are not always avoidable in the complexity of the health care system; and serious, resulting in death or loss of body part, disability or more than the transient loss of body function.

- **Healthcare Acquired Conditions- (HAC)** is a medical condition or complication that a patient develops during a hospital stay, which was not present on admission.
- **Provider Preventable Conditions (PPC)**- means a condition occurring in any healthcare setting that is either a healthcare acquired condition or is another condition which has been found to be reasonably preventable by the provider through the application of procedures supported by evidence based medical guidelines and which has a negative consequence for the member. PCC includes HAC and Never events.
- **The Joint Commission Association of Healthcare Organizations (JCAHO)**- a private, nonprofit organization whose mission is to continuously improve the safety and quality of care provided to the public; it does this through the provision of health accreditation and related services that support performance improvement in health care organizations.
- **National Quality Forum (NQF)** – is a not for profit, nonpartisan membership-based organization that works to catalyze improvements in healthcare. NQF endorsement is considered the gold standard for healthcare quality. NQF endorsed measures are evidence based and valid, and in tandem with the delivery of care and payment reform.
- **ASA 1 Status**- stands for American Society of Anesthesiologists Classification 1 a health normal patient (eg-nonsmoking, no acute or chronic illness)

D. Policy

- I. CareSource will not reimburse for services associated with never events and providers are not permitted to bill for never events.
- II. Services and procedures associated with never events include, but are not limited to:
 - A. Surgery performed on the wrong body part;
 - B. Surgery performed on the wrong patient;
 - C. Wrong surgical procedure performed on a patient;
 - D. Intraoperative or immediately post- operative death in an ASA class I patient;
 - E. Patient death or serious disability associated with the use of contaminated drugs, devices, or biologics provided by the healthcare facility;
 - F. Patients death or serious disability associated with the use or function of a device in patient care, in which the device is used or functions other than as intended;
 - G. Patients suicide, or attempted suicide resulting in serious disability while being cared for in a healthcare facility;
 - H. Maternal death or serious disability associated with labor and delivery in a low risk pregnancy while being care for in a health care facility. This includes:
 1. events that occur within 42 days post-delivery and
 2. excluding deaths from pulmonary or amniotic fluid embolism, acute fatty liver of pregnancy or cardiomyopathy.



- I. Death or serious disability associated with failure to identify hyperbilirubinemia in neonates;
 - J. Death of a patient or serious disability due to spinal manipulative therapy;
 - K. Any incident in which a line designated for oxygen or other gas to be delivered to a patient contains the wrong gas is contaminated by toxic substances; and
 - L. Patient death or serious disability associated with the use of restraints or bedrails while being cared for in a healthcare facility.
- III. Never Event- Notwithstanding any provision in this Agreement to the contrary, when any Never Event occurs with respect to a Covered Person, the Provider shall neither bill, nor seek to collect from, nor accept any payment from CareSource or Covered Person for such events. If Provider receives any payment from CareSource or Covered Person for a Never Event, it shall refund such payment to the person or entity making the payment within ten (10) business days of becoming aware of such receipt. Further, Provider shall cooperate with CareSource, to the extent reasonable, in any CareSource initiative designed to help analyze or reduce such Never Events.
- IV. Healthcare Acquired Condition (HAC)
- A. CareSource does not reimburse providers for healthcare acquired conditions, in accordance with CMS guidelines.
 - B. HACs are listed below, but not limited to:
 - 1. Central line associated bloodstream infection (CLABSI);
 - 2. Catheter associated urinary tract infections (CAUTI);
 - 3. Surgical Site Infection (SSI);
 - 4. Ventilator-associated pneumonia (VAP); and
 - 5. Stage 3 or 4 Pressure Ulcers.
- V. HAC- CareSource will not reimburse providers for healthcare acquired conditions in its members in accordance with CMS guidelines. If CareSource can reasonably identify and isolate the portion of the claim which is directly related to the treatment of the HAC, then CareSource will reduce the reimbursement of the claim by the specific amount related to the provider preventable condition. The level of reduction shall follow CMS most recently published guidelines

E. Conditions of Coverage-N/A

F. Related Policies/Rules-N/A

G. Review/Revision History

DATES		ACTION
Date Issued	09/29/2021	New Policy
Date Revised		
Date Effective	02/01/2022	



Date Archived		
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H. References

1. Center for Medicare & Medicaid Services. Department of Health and Human Services. Code of Federal Regulations. 42 CFR.447.26. Prohibition on payment for provider-preventable conditions. Retrieved July 14, 2021 from www.cms.gov.
2. National Quality Forum (NQF). Never Events. Retrieved July 14, 2021 from www.cdc.gov
3. Center for Medicare & Medicaid Services. Department of Health and Human Services. Code of Federal Regulations. 42 CFR.447.26. Prohibition on payment for provider-preventable conditions. Retrieved July 14, 2021 from www.cms.gov
4. Centers for Medicare & Medicaid Services. Hospital-Acquired Conditions. Last revised October 3, 2019. Retrieved July 14, 2021 from cms.gov.
5. Center for Medicare & Medicaid Services. Department of Health and Human Services. Code of Federal Regulations. Subchapter C—Medical Assistance Programs. 42 CFR Part 438 – Managed Care. Retrieved July 14, 2021 from cms.gov.

The Administrative Policy Statement detailed above has received due consideration as defined in the Administrative Policy Statement Policy and is approved.