



ADMINISTRATIVE POLICY STATEMENT

Arkansas PASSE

Policy Name & Number	Date Effective
Provider Preventable Conditions - AR PASSE- AD-1154	09/01/2022-12/31/2022
Policy Type	
ADMINISTRATIVE	

Administrative Policy Statement 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

Provider Preventable Conditions (PPCs) 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. Some of these medical errors are related to negligence or professional misconduct.

Accordingly in 2002, the National Quality Forum developed an initial standardized list of twenty-seven (27) serious reportable events that would facilitate reporting of such occurrences. Serious reportable events consist of “never events” and preventable adverse events. Since then, the serious reportable events list has been revised twice, most recently in 2011, and now consists of twenty-nine (29) serious reportable events grouped into seven (7) categories: surgical or invasive procedure, product or device, patient protection, care management, environmental, radiologic, and potential criminal events.

The Provider Preventable Condition (PPC) Reduction Program encourages provider facilities to improve patient safety and reduce the number of conditions experienced from inpatient stays, such as pressure ulcers. Effective July 1, 2012, Arkansas Medicaid implemented 42 CFR 477.26, which requires that all state Medicaid plans prohibit payment for provider preventable conditions, including two separate categories: “healthcare-acquired conditions (HCACs)” and “other provider-preventable conditions (OPPCs).” Arkansas Medicaid will continue to prohibit payment for events defined as preventable, serious adverse events that occurred under the care of the provider and that are included on the National Quality Forum’s list of Serious Reportable Events as of December 15, 2008.

C. Definitions

- **American Society of Anesthesiologists (ASA) 1 Status** - A healthy, normal patient (e.g., nonsmoking, no acute or chronic illness).
- **Centers for Medicare and Medicaid Services (CMS)** - An agency within the United States Department of Health & Human Services responsible for the administration of several key federal healthcare programs.
- **National Quality Forum (NQF)** – A not for profit, nonpartisan, membership-based organization working to catalyze improvements in healthcare. NQF endorsement is considered the gold standard for healthcare quality, while NQF-endorsed measures are evidence-based, valid, and in tandem with the delivery of care and payment reform.
- **Never Event** – Serious and costly errors in healthcare services that cause serious harm, injury, or death to beneficiaries, sometimes referred to as preventable adverse events, or sentinel events, and 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.

- **Provider Preventable Condition (PPC)** - A condition occurring in any healthcare setting that is either a healthcare acquired condition or 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 has a negative consequence for the member. PPCs includes healthcare acquired conditions (HCACS) and other provider preventable conditions (OPPCs):
 - **Healthcare Acquired Condition (HCAC)** - A medical condition or complication that a patient develops during a hospital stay, which was not present on admission. HCACs apply to Medicaid inpatient hospital settings and generally defined to include the full list of Medicare's previous inpatient "hospital acquired conditions (HAC)."
 - **Other Provider Preventable Conditions (OPPC)** - Conditions occurring in any health care setting that include, at a minimum, wrong surgical or other invasive procedure performed on a patient, surgical or other invasive procedure performed on the wrong body part, and/or surgical or other invasive procedure performed on the wrong patient pursuant to 42 CFR 447.26(b). Also called a "never event."
- **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 through the provision of health accreditation and related services that support performance improvement in health care organizations.

D. Policy

I. Never Events and Other Provider Preventable Conditions

CareSource will not reimburse for services associated with adverse events or other provider preventable conditions. Notwithstanding any provision in the agreement between provider and CareSource to the contrary and in accordance with CMS guidelines, when any never event occurs with respect to a member, the provider shall neither bill, nor seek to collect from, nor accept any payment from CareSource or a member for such events. If the provider receives any payment from CareSource or a member for a never event, the provider shall refund payment to the member or entity making the payment within ten (10) business days of becoming aware of such receipt. Further, the provider will cooperate with CareSource to the extent reasonable in any CareSource initiative designed to help analyze or reduce such never events.

Services and procedures associated with never events and other provider preventable conditions include, but are not limited to:

A. Surgical or Invasive Procedure Events:

1. Surgical procedure or surgery performed on the wrong body part
2. Surgery performed on the wrong patient
3. Wrong surgical procedure performed on a patient
4. Intraoperative or immediately post-operative death in an ASA class I patient
5. Unintended retention of a foreign object

B. Product or Device Events:

1. Patient death or serious disability associated with the use of contaminated drugs, devices, or biologics provided by the healthcare facility

2. Patient 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
 3. Patient death or serious injury associated with intravascular air embolism that occurs while being cared for in a healthcare setting
- C. Patient Protection Events:
1. Patient suicide, or attempted suicide resulting in serious disability, while being cared for in a healthcare facility
 2. Discharge or release of a patient/resident of any age, who is unable to make decisions
 3. Patient death or serious injury associated with patient elopement
- D. Care Management Events:
1. Patient death or serious injury associated with a medication error
 2. Patient death or serious injury associated with unsafe administration of blood products
 3. Maternal death or serious injury associated with labor or delivery in a low-risk pregnancy while being cared for in a healthcare setting
 4. Death or serious injury of a neonate associated with labor or delivery in a low-risk pregnancy
 5. Patient death or serious injury associated with a fall while being cared for in a healthcare setting
 6. Any Stage 3, Stage 4 or unstageable pressure ulcers acquired after admission or presentation to a healthcare setting
 7. Artificial insemination with the wrong donor sperm or wrong egg
 8. Patient death or serious injury resulting from the irretrievable loss of an irreplaceable biological specimen
 9. Patient death or serious injury resulting from failure to follow up or communicate laboratory, pathology or radiology test results
- E. Environmental Events:
1. Patient or staff death or serious injury associated with an electric shock in the course of a patient care process in a healthcare setting
 2. Any incident in which systems designated for oxygen or other gas to be delivered to a patient contains no gas, the wrong gas or are contaminated by toxic substances
 3. Patient or staff death or serious injury associated with a burn incurred from any source during a patient care process in a healthcare setting
 4. Patient death or serious injury associated with the use of physical restraints or bedrails while being cared for in a healthcare setting
- F. Radiologic Events
1. Death or serious injury of a patient or staff associated with the introduction of a metallic object into the MRI area
- G. Potential Criminal Events
1. Any instance of care ordered by or provided by someone impersonating a physician, nurse, pharmacist or other licensed healthcare provider
 2. Abduction of a patient/resident of any age
 3. Sexual abuse or assault on a patient or staff member within or on the grounds of a healthcare setting
 4. Death or serious injury of a patient or staff member resulting from a physical assault that occurs within or on the grounds of a healthcare setting

II. HealthCare Acquired Conditions (HCACs)

CareSource will not reimburse providers for healthcare acquired conditions (HCACs) 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 HCAC, 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's most recently published guidelines.

CareSource does not reimburse providers for provider preventable conditions, including healthcare acquired conditions (HCACs), in accordance with CMS guidelines. HCACs are listed below, but not limited to:

1. Catheter Associated Urinary Tract Infections (CAUTI)
2. Stage 3 Or 4 Pressure Ulcers
3. Surgical Site Infection
 - Orthopedic Procedures
 - Spine
 - Neck
 - Shoulder
 - Elbow
 - Coronary Artery Bypass Graft-Mediastinitis
 - Bariatric Surgery
 - Laparoscopic Gastric Bypass
 - Gastroenterostomy
 - Laparoscopic Gastric Restrictive Surgery
4. Air Embolism
5. Vascular Catheter-Associated Infection
6. Blood Incompatibility
7. Manifestations Of Poor Glycemic Control
 - Diabetic Ketoacidosis
 - Nonketotic Hyperosmolar Coma
 - Secondary Diabetes With Ketoacidosis Secondary Diabetes With Hyperosmolarity
8. Falls and Trauma
 - Fractures
 - Dislocations
 - Intracranial Injuries
 - Crushing Injuries
 - Burns
 - Electric Shock
9. Deep Vein Thrombosis (DVT)/ Pulmonary Embolism (PE) Following Total Knee Replacement or Hip Replacement, with pediatric and obstetric exceptions

- ## III. All PASSE providers must report provider preventable conditions associated with claims for payment or member treatments for which payment would otherwise be made using Form DMS-2704, Adverse Events Notification, to report an adverse health event to the Division of Medical Services Reimbursement Unit. CareSource cannot make payments for any provider preventable conditions in accordance with 42 CFR § 438.3(g) and must track data, submitting a quarterly report that identifies all provider preventable conditions. The report must include, at a minimum:



1. Wrong surgical or other invasive procedure performed on a member
2. Surgical or other invasive procedure performed on the wrong body part
3. Surgical or other invasive procedure performed on the wrong patient
4. Negative consequence for the member

E. Conditions of Coverage

N/A

F. Related Policies/Rules

N/A

G. Review/Revision History

	Date	Action
Date Issued	05/25/2022	
Date Revised		
Date Effective	09/01/2022	
Date Archived	12/31/2022	This Policy is no longer active and has been archived. Please note that there could be other Policies that may have some of the same rules incorporated and CareSource reserves the right to follow CMS/State/NCCI guidelines without a formal documented Policy.

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 May 02, 2022 from www.cms.gov.
2. Centers for Medicare & Medicaid Services. Hospital-Acquired Conditions. Last revised October 3, 2019. Retrieved May 02, 2022 from www.cms.gov.
3. 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 May 02, 2022 from www.cms.gov.
4. National Quality Forum (NQF). Never Events. Retrieved May 02, 2022 from www.cdc.gov.
5. State of Arkansas. Department of Human Services. Critical Access Hospital Program Policy Manual. Section 250.630. Medicaid Payment Adjustment for Provider Preventable Conditions Including Health Care Acquired Conditions. Retrieved May 02, 2022 from www.arkansas.gov.