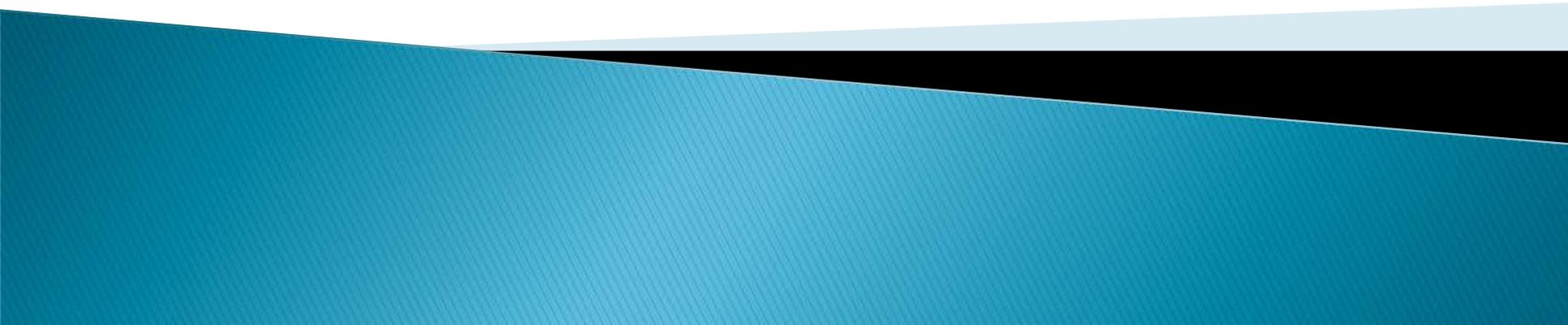


# MO HealthNet Oversight Committee April 10, 2012

Provider Preventable Conditions



# Provider Preventable Conditions

## ▶ Background:

- Office of Inspector General (OIG) in 2008 estimates that 13.5 percent of hospitalized Medicare beneficiaries experienced an adverse event during their hospital stay
  - These resulted in prolonged hospitalization, permanent harm, life-sustaining intervention, or death
- OIG estimated that an additional 13.5 percent of beneficiaries experienced adverse events that resulted in temporary harm (e.g., prolonged vomiting or hypoglycemia)

# Provider Preventable Conditions

## ▶ Background

- In October 2008, CMS began denying hospitals higher Medicare payments for care associated with certain hospital or healthcare acquired conditions (HAC's)
- In January 2009, CMS published 3 National Coverage Determinations denying payment for 3 surgery-related adverse events
  - Wrong site
  - Wrong patient
  - Wrong procedure

# Provider Preventable Conditions

- ▶ Patient Safety Initiatives
  - IOM Report “To Err is Human: Building a Safer Health System”, 1999
  - National Quality Forum list of Serious Reportable Events
  - Goals:
    - Preventing, identifying, and responding to adverse events

# Provider Preventable Conditions

## ▶ Requirements:

- Federal Law June 6, 2011: 42 CFR Parts 434, 438, and 447
  - Medicaid Program; Payment Adjustment for Provider-Preventable Conditions including Health Care-Acquired Conditions
- State Medicaid programs to be in compliance July 1, 2012

# Provider Preventable Conditions

- ▶ 42 CFR Parts 434, 438, 447 Summary
  - Applies Medicare prohibitions for HCAC's to Medicaid
  - States required to develop regulations effective July 1, 2012, that identify and outline process for HCAC's
  - AS of July 1, 2012, CMS will prohibit payment to states for any amount expended for providing medical assistance to HCAC's specified in regulations

# Provider Preventable Conditions

- ▶ 42 CFR Parts 434, 438, 447 Summary
  - States required to implement provider self-reporting through claims systems
  - No reduction in payment when the condition existed prior to the initiation of treatment for that patient by the provider
  - Reductions in payment limited to
    - the extent that the identified condition would otherwise result in an increase in payment;
    - and the state can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the condition

# Provider Preventable Conditions

## ▶ MHD Process

- 13 CSR 70–3.230 Payment Policy for Provider Preventable Conditions
  - Applies Medicare list of HCAC’s with two exceptions per federal law
  - Includes a “present on admission (POA)” indicator
  - Includes self reporting on submitted claims
  - Payment for a HCAC will be denied or recovered by MHD when the event is determined to be Preventable as defined in the regulation

# Provider Preventable Conditions

- ▶ MHD process for operationalization
  - Two work groups, clinical and finance, working together in parallel
  - Clinical group developing process for claim review; key points include
    - Present on admission status, effect on LOS, preventable
    - Physician chart review with recommendation for action
    - Systems work
  - Finance group developing process for payment review
  - Process to be complete by late May