

Federal Prohibition on Payment for Provider-Preventable Conditions Effective July 1, 2011

On June 6, 2011, CMS published final Federal regulations to implement section 2702 of the Affordable Care Act prohibiting states from paying for any medical care directly related to provider-preventable conditions (PPC). This rule is effective as of July 1, 2011. Under this final regulation, provider-preventable conditions are not covered services, and the DMAP cannot make payments or will recover payments for services related to provider-preventable conditions. Provider-preventable conditions are defined as medical conditions, occurring in any healthcare setting, which could have reasonably been prevented through the application of evidence-based guidelines. PPCs apply to both inpatient hospital-acquired conditions (HAC) and other provider-preventable conditions (OPPC). HACs include the full list of Medicare's HACs, except for deep vein thrombosis/pulmonary embolism following total knee replacement or hip replacement in pediatric and obstetric patients.

Hospital Acquired Conditions include:

1. Foreign Object Retained After Surgery
2. Air Embolism
3. Blood Incompatibility
4. Stage III and IV Pressure Ulcers
5. Falls and Trauma
 - Fractures
 - Dislocations
 - Intracranial Injuries
 - Crushing Injuries
 - Burns
 - Electric Shock
6. Manifestations of Poor Glycemic Control
 - Diabetic Ketoacidosis
 - Nonketotic Hyperosmolar Coma
 - Hypoglycemic Coma
 - Secondary Diabetes with Ketoacidosis
 - Secondary Diabetes with Hyperosmolarity
7. Catheter-Associated Urinary Tract Infection (UTI)
8. Vascular Catheter-Associated Infection

9. Surgical Site Infection Following:

- Coronary Artery Bypass Graft (CABG) - Mediastinitis
- Bariatric Surgery
 - Laparoscopic Gastric Bypass
 - Gastroenterostomy
 - Laparoscopic Gastric Restrictive Surgery
- Orthopedic Procedures
 - Spine
 - Neck
 - Shoulder
 - Elbow

Other Provider-Preventable Conditions include:

1. Wrong surgical or other invasive procedure performed on a patient;
2. Surgical or other invasive surgery performed on the wrong body part;
3. Surgical or other invasive procedure performed on the wrong patient.

Please note that no reduction in payment for a provider-preventable condition will be imposed on a provider where it has been determined that the condition for a particular patient existed prior to the initiation of treatment by that provider. Also, providers will be required to identify and report provider-preventable conditions through the claims process (whether fee-for-service or managed care), even where the billed or paid amount may be zero. This may be a departure from your current practice. Under this Federal regulation, DMAP is required to incorporate the prohibition on payment for PPCs in all provider contracts. More information on the contract addendum and reporting requirements will follow.