

PROVIDER BULLETIN No 13-09

Date: March 1, 2013

TO: All Hospitals

FROM: Vivianne M. Chaumont, Director 

Division of Medicaid & Long-Term Care

BY: Flora Coan Program Specialist-Hospital

RE: Health Care-Acquired Conditions and Provider-Preventable Conditions
Inpatient hospital settings

PLEASE SHARE THIS INFORMATION WITH ADMINISTRATIVE, CLINICAL AND
BILLING STAFF.

Section 2702 of the Affordable Care Act (ACA) prohibits Medicaid programs from reimbursing certain providers for services resulting from a Provider Preventable Condition (PPC). PPCs are comprised of two categories: 1) Health Care Acquired Conditions (HCAC), and 2) Provider-Preventable Conditions (PPC). Medicare's Health Care-Acquired Conditions (HCAC) apply to Medicaid inpatient hospital settings and are defined as the full list of Hospital Acquired Conditions (HAC). Provider Bulletin 13-08 addresses the Provider-Preventable Conditions for Outpatient healthcare settings. This bulletin **updates** Nebraska Medicaid's Provider Bulletin No 11-31.

For discharge dates occurring April 1, 2013 or after, the following types of hospitals are **NO LONGER** exempt from reporting HAC or the Present on Admission condition (POA): Critical Access Hospitals, Children's Hospitals, Cancer Hospitals, Rehabilitation Hospitals and those hospitals exempted by Medicare.

A POA indicator is a status code the hospital uses on inpatient claims that indicates if a condition was present when the inpatient admission occurred. Hospitals are required to report whether or not each diagnosis on a Medicaid claim was present on admission. POA indicator reporting is mandatory for all Medicaid claims involving inpatient admissions. Claims submitted without the required POA indicator will be denied. For claims containing secondary diagnoses that are included in the list of HACs and for which the condition was not present on admission, the HAC secondary diagnosis will

not be used for DRG grouping. The claim will be paid as though any secondary diagnoses were not present on the claim.

Nebraska Medicaid will not cover hospitalizations and other services as a result of a HAC. The Department will deny the entire inpatient stay if the POA indicator for a designated HAC specifies the condition occurred after the inpatient hospital admission. This policy applies to all hospitals, all inpatient claims (including Medicare/Medicaid combination claims), and both the DRG and per diem reimbursement methodologies. Providers must report HACs and PPCs even though the claim will be denied. This reporting requirement is also applicable for claims submitted to Managed Care Plans.

For complete billing instructions for POA and HAC, see Title 471 NAC Appendix 471-000-542. The current list of HACs was published by CMS on September 20, 2012 at http://www.cms.gov/Medicare/Medicare-Fee-for-Service/Payment/HospitalAcqCond/Downloads/FY_2013_Final_HACsCodeList.pdf

If you have any questions regarding this bulletin, please contact Flora Coan at 402-471-9380 or at flora.coan@nebraska.gov.