Hospital Acquired Conditions and Never Events: What This Means for You

Audio Seminar/ Webinar
July 28, 2009

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CE Certificate Instructions
Objectives

- Overview of hospital acquired conditions and never events
- Compare and contrast the HAC and Serious Reportable Events
- Understand the importance of the code assignment and the POA indicator assignment
- Understanding Reimbursement Implications
- Other uses of coded data
- HIM professional’s responsibility

Background

- Present on Admission (POA)
- Hospital Acquired Conditions (HAC)
- Serious Reportable Event (SRE)
**Polling Question #1**

Are the three “wrong” surgical events the only items included on the National Quality Forum’s (NQF’s) listing of serious reportable events?

*1 Yes
*2 No

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**AHIMA Ethical Standards**

- Establishes the expectation of professional conduct for coding professionals. Available at: [http://www.ahima.org/infocenter/guidelines/standards.asp](http://www.ahima.org/infocenter/guidelines/standards.asp)
AHIMA Ethical Standards

- Apply accurate, complete, and consistent coding practices for the production of high-quality healthcare data. The coder should accurately report diagnosis, procedures, POA indicators, and discharge status and not alter or suppress coded information
  - Example

AHIMA Ethical Standards

- Report all healthcare data elements required for external reporting purposes completely and accurately, in accordance with regulatory and documentation standards and requirements and applicable official coding conventions, rules, and guidelines
  - Example
AHIMA Ethical Standards

- Query provider for clarification and additional documentation prior to code assignment when there is conflicting, incomplete, or ambiguous information in the health record regarding a significant reportable condition or procedure or other reportable data element dependent on health record documentation
  - Example

Understanding Reimbursement Implications – Medicare HAC

- CMS provides specific guidance for the POA/HAC program
- Since October 1, 2008, in some instances CMS reduces payment when designated HACs are not POA
Understanding Reimbursement Implications - Medicare HAC

- The steps that Medicare follows to determine if a payment reduction will be made are:
  - Identify claims that contain a HAC code(s)
  - Identify if any of these codes are reported with a POA of “N” or “U”
  - Ignore these codes during DRG grouping process
  - Assign lower MS-DRG in cases where no other CC/MCC is coded, and the MS-DRG is driven based on the presence or absence of a CC/MCC
- In some cases, omission of these codes will result in a MS-DRG with a lower payment weight.

Understanding Reimbursement Implications - Medicare Wrong Surgery

- CMS introduced non-coverage decision memos on three “wrong surgical event” SREs
- Effective October 1, 2009, the following E-codes will identify these “wrong” surgeries:
  - E876.5 (Performance of wrong operation (procedure) on correct patient)
  - E876.6 (Performance of operation (procedure) on patient not scheduled for surgery)
  - E876.7 (Performance of correct operation (procedure) on wrong side/body part)
CMS has confirmed that they will require the reporting of the “wrong surgery” E codes.

However they still don’t require other E codes to be reported.

FY 2010 IPPS proposed rule indicates:
- There will be a new edit which will result in a claim denial.
- Claim will be returned to the provider.

Additional information for the “wrong surgery” edit will not be available until the IPPS final rule or after.
On July 2, 2009, CMS released two updated transmittals which provide instructions and guidance for inpatient and outpatient claims processing:

- Wrong Surgical or Other Invasive Procedure Performed on a Patient
- Surgical or Other Invasive Procedure Performed on the Wrong Body Part
- Surgical or Other Invasive Procedure Performed on the Wrong Patient
- Transmittals 1764 and 102

For outpatient claims new modifiers have been created to report “wrong surgeries”:

- PA: Surgery Wrong Body Part
- PB: Surgery Wrong Patient
- PC: Wrong Surgery on Patient

Append to all lines related to the surgical error.
Understanding Reimbursement Implications - Medicare Wrong Surgery

• Inpatient claims:
  • Contractors shall educate hospitals to submit the non-covered TOB 110, clearly indicating in Remarks one of the applicable 2-digit surgical error codes (entered exactly as specified):
    • For a wrong surgery on patient, enter the following: MX
    • For a surgery on a wrong body part, enter the following: MY
    • For a surgery on wrong patient, enter the following: MZ

Polling Question #2

Do you have any non-Medicare payers who have different coding and/or billing requirements for HAC/SREs?

*1 Yes
*2 No
Understanding Reimbursement Implications - Other Payers

- POA/HAC/SRE requirements and their affect on inpatient reimbursement for other payers are vague
- Many states and payers have already adopted the Medicare requirements
- Others have decided not to bill or reimburse for SREs that occur in hospitals
- However, requirements surrounding POA/HACs/SREs are gaining momentum
  - Payers may or may not accept POA indicators
  - Some have variations on which events may have an impact on reimbursement

Understanding Reimbursement Implications - Other Payers

- Inconsistencies are causing significant confusion among hospitals
  - How will you implement procedures to identify these conditions
  - Being compliant with coding and reporting guidelines
  - How do you track and report cases that may have billing implication
HIM Role in Discussions with Other Payers

- Understand payer HACs and/or SREs requirements
- Can the payer accept POA indicators?
- Does the payer plan to include any SREs in the contract?
- How will SREs not identified by ICD-9-CM codes be handled?

HIM Role in Discussions with Other Payers

- Will they incorporate the Leapfrog Group’s recommendation
  - Reporting the occurrence of the SRE
  - Apologizing to the patient and/or family
  - Performing a root cause analysis
HIM Role in Discussions with Other Payers

- How will reimbursement be impacted?
- What appeal rights does the hospital have?

Polling Question #3

Do you have any non-Medicare payers who have required that codes identifying HAC/SREs be deleted from the claim?

* 1 Yes
* 2 No
HIM Role in Discussions with Other Payers

- The following may assist in developing contract terms with payers
  - When a SRE is not defined by ICD-9-CM codes, there should be no changes in the codes that are submitted
  - If the payer reimburses on a DRG basis suggest that they follow the Medicare HAC reporting and reimbursement policy
  - For payers that reimburse on percent of charges or per diem basis, suggest that HAC/SRE related charges be billed as non-covered
- HIM professionals should work with payers to make sure that their contracts do not require the deletion of the codes that identify HAC/SREs from the claim

Other considerations:
- Who and how is it determined that a HAC or SRE has occurred?
- Once determined, what steps are taken?
- How will the event be reported on the claim?
- Who determines if a charge is removed from a bill?
Internal Uses of Coded Data

- POA provides meaningful information for an organization’s internal performance improvement initiatives
- Allows the reporting and stratification of HACs and certain SREs by
  - Service area
  - DRG
  - Provider
- Reach out to leaders in your organization to ensure they are aware the data exists and how to interpret it
- Coded data reduces time needed for record review by others in the organization
- Finance may use the information in predicting reimbursement and in preparing for contract negotiations with payers

External Uses of Coded Data

- There is an increasing emphasis on claims data beyond payment
- This includes quality measurement and public reporting
External Uses of Coded Data - Quality Measurement

- Hospital Quality Data
  - CMS updates these measures annually
  - Relies heavily on claims data alone
  - Hospitals that do not satisfy the data submission requirements face a reduction of their annual payment update for that fiscal year

Of the 44 measures approved for FY 2010, 16 are solely based on claims data
- 9 are from the AHRQ Quality Indicator measures
  - Rely on codes to identify specific types of patient populations
  - For example, mortality for surgical patients with a potential complication as defined by selected secondary diagnoses
External Uses of Coded Data - Quality Measurement

- Agencies such as The Joint Commission and state agencies have selected measures to evaluate and report quality of care and patient safety data
- The Joint Commission has aligned its measures with CMS for its Core Measures
- A number of state agencies have used combinations of internally developed measures

HIM Professional’s Responsibility

- Provide subject matter expertise
  - Explain requirements
  - Identification, reporting and use of SREs and HACs
  - Representing this information in billing and claims submission
**HIM Professional’s Responsibility**

- Promote the importance of adhering to ethical coding guidelines
- Identify potential consequences of implementing different approaches to the billing of HACs or SREs

**HIM Professional’s Responsibility - Organization Level**

- Identify and get to know key finance staff within your hospital
- Determine if there are variations in payer requirements for reporting SRE or HAC information
- Provide education to relevant staff on these and Medicare requirements
- Provide education on the Standards of Ethical Coding
- Provide hospital executives with reports on incidence of HAC and SREs and reimbursement impact
### HIM Professional’s Responsibility - Component State Association (CSA)

- Determine if your CSA is already involved or planning for a statewide correct coding initiative
- Offer services to educate members in the state about this issue and the importance of HIM involvement

### HIM Professional’s Responsibility - National (AHIMA)

- Join and participate in AHIMA Communities of Practice (CoP)
- Discuss concerns, approaches and best practices relating to the collection and use of SREs and HACs
- Utilize other resources available through AHIMA to understand issues
- Educate yourself and others
Conclusion

- The background of the HIM professional is invaluable in achieving and maintaining data of the highest quality
- The HIM professional should be advocating and promoting the importance of data quality and its appropriate use especially in light of these new HAC and SRE initiative

Resource/Reference List

- Wrong Surgery NCDs
  https://www.cms.hhs.gov/mcd/viewdecisionmemo.asp?id=222
  https://www.cms.hhs.gov/mcd/viewdecisionmemo.asp?id=221

- Wrong Surgery Transmittals
Following today’s live seminar Available to AHIMA members at www.AHIMA.org

Click on Communities of Practice (CoP) - icon on top right
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Upcoming Seminars/Webinars

Coding for Peripheral Vascular Disease (PVD)
August 20, 2009

FY10 ICD-9-CM Diagnosis Code Updates
September 10, 2009

FY10 CMS IPPS Update
September 15, 2009

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Resource/Reference List

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https://www.cms.hhs.gov/mcd/viewdecisionmemo.asp?id=221
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