



Never Events and Hospital-Acquired Conditions

I. Policy

University Health Alliance (UHA) will not reimburse for never events and hospital-acquired conditions within the following guidelines.

II. Criteria/Guidelines

- A. UHA will not reimburse participating acute care inpatient hospitals for inpatient services related to never events and hospital-acquired conditions. Hospitals will not receive reimbursement for complications related to the following incidents:
1. **Never Event:** "Never events" are errors in medical care that are clearly identifiable, preventable, and serious in their consequences for patients, and that indicate a real problem in the safety and credibility of a health care facility. Hospitals will not receive reimbursement for complications related to the following incidents:
 - a. Surgery performed on the wrong body part
 - b. Surgery performed on the wrong patient
 - c. Wrong surgical procedure performed on a patient
 2. **Hospital-Acquired Condition:** Hospital Acquired Conditions (HACs) are conditions that could reasonably have been prevented through the application of evidence based guidelines. These 14 categories of HACs listed below are compiled by CMS and include the new HACs from the Inpatient Prospective Payment System FY 2013 (updated 11/14/17). UHA will not provide additional payment to hospitals for treatment of these conditions unless the events were present on admission.
 - a. Foreign Object Retained After Surgery or other procedure
 - b. Patient death or serious disability associated with intravascular air embolism that occurs while being cared for in a healthcare facility
 - c. Patient death or serious disability associated with a hemolytic reaction due to administration of ABO/HLA incompatible blood or blood products
 - d. Stage 3 or 4 or unstageable pressure ulcers acquired after admission to a healthcare facility
 - e. Falls and Trauma
 - i. Fractures
 - ii. Dislocations
 - iii. Intracranial Injuries
 - iv. Crushing Injuries
 - v. Burns
 - vi. Other Injuries
 - f. Manifestations of Poor Glycemic Control, the onset of which occurred while the patient is being cared for in a healthcare facility

- g. Catheter-Associated Urinary Tract Infection (UTI)
- h. Vascular Catheter-Associated Infection
- i. Surgical Site Infection, Mediastinitis, Following Coronary Artery Bypass Graft (CABG)
- j. Surgical Site Infection Following Bariatric Surgery for Obesity
- k. Surgical Site Infection Following Certain Orthopedic Procedures
 - i. Spine
 - ii. Neck
 - iii. Shoulder
 - iv. Elbow
- l. Surgical Site Infection Following Cardiac Implantable Electronic Device (CIED)
- m. Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) Following Certain Orthopedic Procedures without documentation that proper prevention efforts were implemented in accordance with current orthopedic standard of care guidelines
 - i. Total Knee Replacement
 - ii. Hip Replacement
- n. Iatrogenic Pneumothorax with Venous Catheterization.

III. Administrative Guidelines

- A. Participating acute care facilities including critical access hospitals are required to populate the Present on Admission (POA) indicator on all inpatient hospital claims for acute care admissions.

POA Indicator Value (matched with appropriate diagnosis code)	Description	Expectation of Payment
Y (Yes)	Diagnosis was present at time of inpatient admission.	Payment may be permitted.
N (No)	Diagnosis was not present at time of inpatient admission.	No payment may be permitted when an appropriate diagnosis/E code identifies the never event or hospital-acquired condition.
U (Unknown)	Documentation insufficient to determine if condition was present at the time of inpatient admission.	No payment may be permitted when appropriate diagnosis/E code identifies never event or hospital-acquired condition.
W (Undetermined)	Clinically undetermined. Provider unable to clinically determine whether the condition was present at the time of inpatient admission.	Payment may be permitted.
1 (Blank)	CMS permits the code of 1 to identify providers that are exempt from CMS' POA reporting requirements. However, this policy applies to all participating providers, so a 1 is not a valid response. UHA will need to work with the provider to obtain appropriate POA value.	N/A - Provider must submit an appropriate value.
Blank	UHA will work with provider to obtain appropriate POA value.	N/A - Provider must submit an appropriate value.

- 1. Participating acute care facilities that submit electronic 837 Institutional (837I) claims and paper claims with POA indicators which designate a never event or hospital-acquired condition

may see a possible reduction of payment or reimbursement for services related to the occurrence of that event. 837I or paper claims received with incorrect or missing POA will be returned and/or denied.

2. UHA reserves the right to perform retrospective review using the above criteria to validate the presence or absence of the appropriate POA indicator.
3. Acute care inpatient hospitals are required to hold members harmless for any reduction in reimbursement for complications related to a never event or hospital-acquired condition.
4. UHA will not reimburse surgeons who file a claim for the services listed here: surgery performed on the wrong body part, surgery performed on the wrong patient and wrong surgical procedure performed on a patient. Physicians are required to hold members harmless for services related to these events.

NOTE:

This UHA payment policy is a guide to coverage, the need for prior authorization and other administrative directives. It is not meant to provide instruction in the practice of medicine and it should not deter a provider from expressing his/her judgment.

Even though this payment policy may indicate that a particular service or supply is considered covered, specific provider contract terms and/or member's individual benefit plans may apply, and this policy is not a guarantee of payment. UHA reserves the right to apply this payment policy to all UHA companies and subsidiaries.

UHA understands that opinions about and approaches to clinical problems may vary. Questions concerning medical necessity (see Hawaii Revised Statutes §432E-1.4) are welcome. A provider may request that UHA reconsider the application of the medical necessity criteria in light of any supporting documentation.

IV. Policy History

Policy Number: MPP-0021-120301

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