STATE OF COLORADO

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Bill Ritter, Jr.
Governor

D 006 09

EXECUTIVE ORDER

Medicaid Policy on Serious Reportable Events

Pursuant to the authority vested in the Office of the Governor of the State of Colorado, I, Bill Ritter, Jr., Governor of the State of Colorado, hereby issue this Executive Order directing the Department of Health Care Policy and Financing to propose rules for the denial or reduction in payments under Medicaid for serious reportable events.

I. Background and Purpose

Each year, healthcare errors affect the lives of numerous Colorado citizens. Many of these are avoidable errors that occur during hospitalization, known as serious reportable events ("SREs"). Currently, no fewer than twenty-five states require licensed healthcare facilities to report SREs. Medicare recognizes the following fifteen events as SREs :

A. Foreign object inadvertently left in patient after surgery;
B. Death/disability associated with intravascular air embolism;
C. Death/disability associated with incompatible blood;
D. Stage three or four pressure ulcers after admission;
E. Hospital-acquired injuries: fractures, dislocations, intracranial injury, crushing injury, burn and other unspecified effects of external causes;
F. Catheter-associated urinary tract infection;
G. Vascular catheter-associated infection;
H. Mediastinitis after coronary artery bypass graft surgery;
I. Manifestations of poor glycemic control;
J. Surgical site infection following certain orthopedic procedures;
K. Surgical site infection following bariatric surgery for obesity;
L. Deep vein thrombosis & pulmonary embolism following certain orthopedic procedures;
M. Surgery performed on the wrong body part;
N. Surgery performed on the wrong patient; and
O. Wrong surgical procedure on a patient.

Many entities, including national organizations, states, and health care facilities, have begun urging non-payment for SREs. In the interest of improving patient safety and ensuring high quality health care, this Executive Order directs the Department of Health

Care Policy and Financing (the "Department") to propose rules to adjust reimbursement for inpatient hospital claims that include SREs. Once such rules are adopted, patients should no longer be billed or balance-billed for services related to SREs.

II. Directive

A. Pursuant to C.R.S. § 25.5-5-102 and C.R.S. § 25.5-5-202, the Department is hereby directed to propose rules to the Medical Services Board regarding non-payment for SRE claims submitted under the Medicaid fee-for-service program.

B. The Department is directed to amend contracts with managed care organizations participating in the Child Health Plan Plus (CHP+, also known as the Children's Basic Health Plan) and in the Medicaid Managed Care program to meet the directives of this Executive Order.

C. Because providers within the Colorado Indigent Care Program ("CICP") receive fixed grant awards, this policy will not affect such providers.

D. In an additional effort to improve the quality and safety of health care in Colorado, the Department is encouraged to work with appropriate health care organizations to support the creation of a Patient Safety Organization. The goals of the Organization should be 1) to promote quality improvement through analysis of SREs; and 2) to identify root causes, frequencies, and distribution with an aim of systematically reducing these events in the future and promoting patient well being and safety. The Department may request funding through the State budget process for administrative costs associated with the implementation of the Patient Safety Organization.

III. Duration

This Executive Order shall remain in force until modified or rescinded by future Executive Order of the Governor.

GIVEN under my hand and the Executive Seal of the State of Colorado this thirty-first day of March, 2009.

Bill Ritter, Jr.

Bill Ritter, Jr.
Governor