

Current State Practices Related to Payments to Providers for Health Care-Acquired Conditions (HCAC)

Survey (September 10, 2010)

The Patient Protection and Affordable Care Act of 2010 (Affordable Care Act, Public Law 111-148), enacted March 23, 2010 includes provisions prohibiting Federal Financial Participation to States for payments for health care-acquired conditions (HCACs). Section 2702(a) specifically requires that the Secretary identify current State practices that prohibit payment for HCACs and incorporate those practices or elements of those practices which the Secretary deems appropriate for application to the Medicaid program.

In accordance with section 2702(a) of the Affordable Care Act, CMS is issuing this survey to States to obtain information on current State Medicaid practices for prohibiting payments for HCACs. These questions are asked and should be answered in relation to any payment policy and/or program that the State Medicaid Agency has implemented, or interpreted to have implemented, prohibiting or limiting State Medicaid payments for hospital acquired conditions (HACs), the National Quality Forum's list of Serious Reportable events (commonly referred to as "Never Events"), HCACs, and/or critical incidents related to health care (Critical Incidents).

We are seeking information on existing State programs with the intention of incorporating effective State practices into Federal regulations regarding the prohibition of payments to States for HCACs. The survey questions are specific to HACs, HCACs, Never Events, and Critical Incidents as defined by the State. This includes provisions outlined within the Medicaid State plan or otherwise and those provisions that the State has interpreted to implement related policy without State plan provisions or amendments.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is **0938-NEW; CMS -10335**. The time required to complete this information collection is estimated to average 30 minutes to an hour per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

Note: The respondent may attach additional sheets as necessary to elaborate on essay responses.

Section 1 – General Information

State: **COLORADO**

Name of the Person Responding to this Survey: **Eric Wolf**

Deep vein thrombosis & pulmonary embolism following certain orthopedic procedures

B. Health Care-Acquired Conditions (HCACs)

C. Never Events

Surgery performed on the wrong body part

Surgery performed on the wrong patient

Wrong surgical procedure on the patient.

D. Critical Incidents

4. Does the State use any term(s) other than HACs, HCACs, Never Events, or Critical Incidents to express similar policies?

Yes ✓

No

5. If yes, please list that term(s) and provide the State's definition of that term(s) for payment and/or reporting purposes.

Serious reportable events are identified as avoidable errors that occur during hospitalization.

6. Has the State adopted the definitions and standards of a particular organization such as Medicare, or the National Quality Forum, to set measures or qualify non-payable events?

Yes ✓

No

7. If yes, list the organization(s), as well as the definitions and standards adopted by the State.

Medicare standards

National Healthcare Safety Network

Continue to Section 4

Section 4 – State Policy Prior to July 13, 2008

8. Did the State have a policy prohibiting or limiting State Medicaid provider payments for HACs, HCACs, Never Events, and/or Critical Incidents prior to the issuance of the July 31, 2008 SMDL regarding HACs and Never Events?

Yes

No ✓

9. If yes, please provide a summary describing the policy including the providers impacted, the payment adjustments required, and whether the State currently follows the policy.

Not applicable.

10. Was the policy articulated in the State’s Medicaid plan?

Yes

No

11. Is there State legislation related to this policy?

Yes

No

12. If yes, please provide the citation.

13. How does the State currently calculate rates for Medicaid inpatient hospital providers?

- A. **DRG** ✓
- B. Per Diem
- C. Cost
- D. Other (please describe)

14. Did the State have to modify its existing Medicaid inpatient hospital rate structure to implement HACs, HCACs, Never Events, Critical Incidents or other similar payment policies?

Yes

No ✓

15. If yes, please describe the modifications to the State’s existing Medicaid inpatient hospital rate structure including why they were necessary.

The Colorado approach is to use the existing retrospective review process for inpatient hospital claims to identify serious reportable events, including “never events” and to adjust reimbursements retroactively.

Continue to Section 5 if the State has an existing policy prohibiting or limiting State Medicaid payments for Medicare cross over claims related to HACs, HCACs, Never Events, and/or Critical Incidents.

Section 5 – State Payment Policy for Medicare Crossover Claims

16. Does the State currently prohibit or limit State Medicaid inpatient hospital payments for Medicare crossover claims related to HACs, HCACs, Never Events, and/or Critical Incidents?

Yes ✓

No

25. Please describe any barriers the State has faced in implementing this policy?

Colorado’s current claim processing system does not have capacity to evaluate submitted “present on admission” indicator data. This lack of capacity forces a pay-and-chase retrospective approach rather than an adjudication process at claims submission that would allow cost avoidance.

26. What other options did the State consider prior to implementing its current policy?

The only other option considered was the possibility of not implementing the policy.

27. Why did the State forego those options?

The Colorado Medicaid Program has generally been shifting focus away from paying for health care and moving towards paying for health outcomes. Not implementing the existing policy prohibiting/limiting payments was not in keeping with that State policy direction.

Continue to Section 6 if the State has an existing policy prohibiting or limiting State Medicaid payments HACs, HCACs, Never Events, and/or Critical Incidents.

Section 6 – State Medicaid Payment Policy

28. Does the State currently prohibit or limit State Medicaid inpatient hospital payments related to HACs, HCACs, Never Events, and/or Critical Incidents?

Yes

No

29. If yes, please detail the methodology of the payment process for this policy including information on how the State adjusts payments to providers, what triggers a payment adjustment, and how the State determines the adjustment amount.

The Colorado approach is to use the existing retrospective review process for inpatient hospital claims to identify serious reportable events, including “never events” and to adjust reimbursements retroactively. Medicare cross-over claims also include “present on admission” indicator data to identify serious reportable events. If a serious reportable event triggered increase to a higher DRG payment, the claim is adjusted to the DRG it would have been without the event, and the cost difference is recouped.

30. If yes to 28, is the policy articulated in the State’s Medicaid plan?

Yes

No

31. If yes to 28, is there State legislation related to this policy?

Yes

No

32. If yes to 31, please provide the citation.

Not applicable.

33. What data sources are used to determine claims for non-payment or reduced payment?

Retrospective review of paid claims and medical records based on “present on admission” (POA) indicator data submitted on claims. Currently this is a manual review process until the implementation of an automated process.

34. Did the State have to acquire new or additional resources to implement this policy?

Yes

No

35. If yes, please describe the resources and how where they utilized.

An additional \$19,000 per year was appropriated to be added to the State’s utilization management contract.

36. What barriers has the State faced in implementing this policy?

Colorado’s current claim processing system does not have capacity to evaluate submitted “present on admission” indicator data. This lack of capacity forces a pay-and-chase retrospective approach rather than an adjudication process at claims submission that would allow cost avoidance.

37. What other options did the State consider prior to implementing its current policy?

The only other option considered was the possibility of not implementing the policy.

38. Why did the State forego those options?

The Colorado Medicaid Program has generally been shifting focus away from paying for health care and moving towards paying for health outcomes. Not implementing the existing policy prohibiting/limiting payments was not in keeping with that State policy direction.

Continue to Section 7

Section 7 – Access and Reporting

39. Has there been a demonstrated impact on beneficiary access to inpatient hospital care related to State prohibited or limited payment of HACs, HCACs, Never Events and /or Critical Incidents?

Yes

No **No hospitals have withdrawn from Medicaid as a result of this policy.**

40. If yes, please provide detailed information on how the State determined the policy's impact on access.

Not applicable.

41. Has the State taken measures to limit adverse impacts on beneficiary access to inpatient hospital care related to State prohibited or limited payment of HACs, HCACs, Never Events and /or Critical Incidents?

Yes ✓

No

42. If so, please describe actions taken by the State to limit adverse impacts on beneficiary access.

The State included the Colorado Hospital Association in the preparatory stages to assure their agreement with the policy and the manner in which it would be implemented.

43. Does the State require that providers report occurrences of HACs, HCACs, Never Events and /or Critical Incidents?

Yes ✓

No

The Colorado Hospital-Acquired Infections Disclosure Act was enacted in June 2006, requiring the reporting of health facility-acquired infections to the State's survey and certification agency as a condition of state licensure. Title 25 Article 3 Part 6 (CRS 2009)

44. If yes, please provide a summary of the State's requirements to include the method and frequency of reporting, as well as any penalties for not reporting.

Hospitals, hospital units, ambulatory surgical centers, and dialysis treatment centers must report surgical site infections in cardiac, orthopedic and abdominal operative procedures. Additionally, adult and neonatal critical care units and long-term acute hospitals are required to report central line-associated bloodstream infections. The penalty for non-reporting may include termination of licensure or a civil penalty of up to \$1,000 per day per violation.

45. Does the State publish HACs, HCACs, Never Events and /or Critical Incidents reported to the State?

Yes ✓

No

The Colorado Department of Public Health and Environment, the state survey & certification agency, publishes the hospital-acquired infection data on a semi-annual basis.

