KAISER PERMANENTE®

PAYMENT POLICY

HOSPITAL-ACQUIRED CONDITIONS, NEVER EVENTS & ADVERSE EVENTS

Scope

This policy applies to:

☒ Kaiser Permanente Health Plan of Washington

☒ Kaiser Permanente Health Plan of Washington Options, Inc.

☒ Commercial

☒ Medicare

☐ Medicaid

Policy

Original Effective Date: 07/15/2021

Kaiser Foundation Health Plan of Washington and Kaiser Foundation Health Plan of Washington Options, Inc. (Kaiser Permanente) will not separately reimburse for Hospital-Acquired Conditions (HAC), Never or Adverse Events.

Inpatient hospitals are not allowed to receive or retain any reimbursement for inpatient services related to HACs and/or Never Events, when these are identified by the CMS-defined HAC list. Members shall not be held responsible for any inpatient services when related to these HAC events.

Billing/Coding Guidelines

All claims must be billed according to Centers for Medicare & Medicaid Services (CMS) guidelines.

To group diagnoses into the proper Diagnosis Related Group (DRG), the billing provider needs to identify a Present on Admission (POA) Indicator for all diagnoses reported on claims involving inpatient admissions to general acute care hospitals.

Present on Admission (POA) Indicator:

POA Indicator Code	Reason for Code
Y	Diagnosis was present at time of inpatient admission.
N	Diagnosis was not present at time of inpatient admission.
U	Documentation insufficient to determine if the condition was present at the time of inpatient admission.

W	Clinically undetermined. Provider unable to clinically determine whether the condition was present at the time of inpatient admission.
I	Unreported/Not used – Exempt from POA reporting. This code is equivalent code of a blank on the UB-04/Institutional Claim form.

Policy Definitions

Adverse Event - when a patient experiences an abnormal, harmful or undesirable effect as a result of care providing in a healthcare setting

Hospital-Acquired Condition - a medical condition or complication that a patient develops during a hospital stay that was not present on admission

Never Event - 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

Prerequisite(s)

Section 5001(c) requires hospitals to report present-on-admission information for both principal and secondary diagnoses when submitting claims for discharges on or after October 1, 2007.

Consistent with rules and other directives promulgated by the Centers for Medicare and Medicaid Services (CMS), consistent with RCW 70.56.010, and as set forth in the Provider Manual, Health Carrier shall not reimburse Hospital, and Hospital shall not bill Health Carrier, for treatment and/or services arising from or related to preventable "Adverse Events," as defined in RCW 70.56.010, or non-medically necessary early elective deliveries, as defined in the Bree Collaborative Obstetrics Report (August 2012), that occur at Hospital. Hospital shall waive any copayments and other costs and reverse any charges associated with services related to preventable Adverse Events that occur at Hospital, and shall take steps to ensure that Managed Care Members are not required to pay Hospital for care related to a preventable Adverse Event at Hospital. Hospital also agrees to maintain a policy that prohibits Hospital billing for preventable Adverse Events and non-medically necessary early elective deliveries, provide a copy of such policy to Kaiser Foundation Health Plan of Washington (KFHPWA) upon request, and provide information to KFHPWA upon request regarding the number and type of preventable Adverse Events that occur at Hospital. KFHPWA shall make requests for reports on preventable Adverse Events under the auspices of KFHPWA's Coordinated Quality Improvement Program and shall seek to maintain the confidentiality of such reports consistent with state and federal law.

References

Hospital-Acquired Conditions CMS Website

Section 5001(c): CMS

CMS ICD-10 HAC List: CMS

RCW 70.56.010

Frequently Asked Questions

Q1: How will claims be reviewed for Hospital-Acquired Conditions?

A1: These claims will be reviewed on a prepayment basis. If additional information is needed, medical records will be requested.

Q2: Does this policy apply to only to Medicare Inpatient Claims?

A2: No; this policy applies to Commercial and Medicare patients.

Q3: Do the POA and HAC programs apply to outpatient or ambulatory surgery services?

A3: No; this program is only for inpatient acute care admissions.

Q4: If the POA indicator is not on the claim, will the claim be returned?

A4: Beginning with claims with discharges on or after October 1, 2008, if hospitals do not report a valid POA code for each diagnosis on the claim, the claim will be returned to the hospital for correct submission of POA information.

Revision History

08/29/2022 – Updated formatting

07/15/2021 – New Payment Policy