

Insights to Coding and Data Quality

IPPS proposal FY2015

The Hospital-Acquired Condition Reduction Program

by Patricia Small, RHIT, CCS

The Centers for Medicare & Medicaid Services' (CMS) Hospital Quality Improvement Program (HQIP) has put into place several programs to identify and reduce the number of hospital-acquired conditions (HAC) among Medicare beneficiaries. An HAC is described as an adverse event or condition that a patient may acquire while under treatment for another condition in a short-term acute-care inpatient hospital stay. HACs include post-surgical site infections and foreign objects retained after surgery as well as "never events" such as doing the correct procedure on the wrong body part, or doing the correct procedure on the wrong patient.

HACs are costly for both the patient and the health care system because they use additional resources to treat. Beginning in 2008, the Department of Health and Human Services (DHHS) has been tracking conditions that are not present on admit; are high cost and result in a MS-DRG assignment of a higher payment, are present as a secondary diagnosis. In addition, the conditions that have been identified are evaluated on the likelihood of being prevented through evidence-based guidelines. In an effort to create a financial incentive to prevent HACs, the MS-DRG assignment has since ignored the HAC condition whose POA is not present on admit – or undetermined as present on admit-when grouped, so that the hospital is not paid for the HAC-related services.

Each year DHHS identifies a list of HACs (ICD-9-CM codes) even amidst objections to some of the conditions being preventable through evidence-based guidelines. And at this time, the "never events" are reported separately on a non-covered claim.

Although projected for implementation in FY2015 (not yet finalized), an additional payment adjustment has been discussed in the recently published FY2014 IPPS Final Rule. The adjustment is part of the CMS's *pay for performance* plan, a plan that is part of the continuing quality improvement initiatives. This payment adjustment is known as the Hospital-Acquired Condition Reduction Program (HACRP), and is designed as a part of CMS's Hospital Quality Improvement Program (HQIP). This program allows for payment adjustments for hospitals that rank highest in incidence of HACs (with DHHS determining which HACs will apply to that ranking) during an applicable period of time. A hospital that is determined to be subject to the payment adjustment under HACRP will have an adjustment to the operating portion of the hospital's DRG payment.

Specific application parameters for the HACRP payment adjustment for hospitals will be addressed in the FY2015 IPPS Final Rule. However, it is known, as discussed in the FY2014 Final Rule, there will be assessments of the hospitals made in two different domains, one named as a claims-based measure (Agency for Health Care Research and Quality Composite Patient Safety Indicator #90) and a second, that is from the CDC National Health Safety Network measure of CLABSI (central-line associated bloodstream infection) and CAUTI (catheter-associated urinary tract infection) that are chart-abstracted measures. A composite measure will be determined with points assigned and the lower the points, the better the hospital's score.

These domain point assignments are based on a measure of the reliability standardized infection ratio (SIR), with points for domain two being an average of points assigned to the SIR for both measures of CLABSI and CAUTI.

It is important to note that starting **October 1, 2014**, the domain scores will be recorded for each hospital with each domain weighted (35% for domain one and 65% for domain two) and each hospital's domain score will be used to determine placement in the top 25% of applicable hospitals that will be subject to the payment adjustment. DHHS is required by the proposed rule to provide applicable hospitals a report of their HAC record in an attempt to allow the opportunity for review and corrections (if needed) to the data prior to the release and use of the payment adjustments for the applicable periods. Details pertaining to the implementation of this program are available in the Final Rule, pages 831–918.

Resources

<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2014-IPPS-Final-Rule-Home-Page.html/>

<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalAcqCond/index.html?redirect=/HospitalAcqCond/>
<http://www.qualityindicators.ahrq.gov/Downloads/Modules/PSI/V45/TechSpecs/PSI%2090%20Patient%20Safety%20for%20Selected%20Indicators.pdf/>

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