

State Plan Under Title XIX of the Social Security Act
Medical Assistance Program
State: NORTH CAROLINA

Hospital Acquired Condition (HAC) Never Events (NE) / Present on Admission (POA)

For dates of service January 1, 2011 and after, for all Medicaid patients, requests for Diagnosis Related Groups (DRGs) attributable to Medicare identified hospital acquired conditions and never events will not be approved by the Peer Review Organization (PRO) and are not reimbursable. PRO review for present on admission is not required. This policy applies to all Medicaid reimbursement provisions, contained in Attachment 4.19-A, including Medicaid supplemental or enhanced payments and Medicaid disproportionate share hospital payments and complies with Medicare Billing Guidelines for Hospital Acquired Conditions, Never Events and Present on Admission

TN. No. 11-001
Supersedes
TN. No. NEW

Approval Date: JAN 17 2012

Eff. Date: 01/01/2011

MEDICAL ASSISTANCE
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

Payment for Hospital Acquired Conditions:

Effective January 1, 2011 and in accordance with Title XIX of the Social Security Act – Sections 1902, 1903 and 42 CFRs 434, 438, and 447, Medicaid will make no payment to providers for services related to Provider Preventable Conditions (PPC) which includes Never Events (NE), Other Provider Preventable Conditions (OPPCs) and Additional Other Provider-Preventable Conditions (AOPPC).

In accordance with N.C. State Plan, Attachment 3.1-A, Page 1, Hospital Services payments are allowed except for the following conditions outlined below.

Never Events (NE) are defined by the National Coverage Determination (NCD) manual for Outpatient Hospitals, Ambulatory Surgical Centers (ASC) and practitioners, and these providers will be required to report NEs. Outpatient Hospital claims must bill separate a claim as a Bill Type 130 or as designated by the National Uniform Bill Committee for a non-payment/zero claim.

Ambulatory Surgical Centers (ASC) and their practitioners are included in the category of Other Provider Preventable Conditions (OPPC) claims. Never Events (NE) for Ambulatory Surgical Centers (ASC) and practitioners (AOPPC) are required to append one of the following applicable NCD modifiers to all lines related to the erroneous surgery(s).

- PA: Surgery Wrong Body Part
- PB: Surgery Wrong Patient
- PC: Wrong Surgery on Patient

Practitioners are defined in Attachment 4.19-B - Section 5, Section 6 and Section 17.

The provider may file a separate claim for the same Medicaid recipient with the same dates of service to include the allowable charges for reimbursement. Providers must identify and report NE occurrences.

Prohibition on payments for NEs, OPPCs, and AOPPCs shall not result in a loss of access to care or services for Medicaid beneficiaries. This policy applies to all Medicaid reimbursement provisions contained in 4.19B.

TN No. 11-001
Supersedes
TN No. NEW

Approval Date JAN 17 2012

Eff. Date 01/01/2011

State Plan Under Title XIX of the Security Act
Medical Assistance Program

Attachment 4.19-B
Section 1, Page 3

State: North Carolina

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment under Section 4.19 (A)

 X Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Effective January 1, 2011, Medicaid will make zero payment to providers for services related to Provider Preventable Conditions (PPC) which includes Healthcare Acquired Conditions (HCAC). Reimbursement for conditions described above is defined in Attachment 4.19-A, Page 8a of this State Plan.

TN No. 11-001

Supersedes

Approval Date JAN 17 2012

Effective Date 01/01/2011

TN No. NEW

CMS ID: 7982E

State Plan Under Title XIX of the Security Act
Medical Assistance Program

Attachment 4.19-B
Section 1, Page 4

State: North Carolina

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19 (B) of this State plan.

X Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

On and after the above effective date, Medicaid will make zero payments to providers for Other Provider-Preventable Conditions which includes Never Events (NE) as defined by the National Coverage Determination (NCD). The Never Events (NE) as defined in the NCD includes Inpatient Hospitals, Outpatient Hospitals, Ambulatory Surgical Centers (ASC) and practitioners, and these providers will be required to report NEs. Reimbursement for conditions described above is defined in Attachment 4.19-B, Section 1, Page 2, of this State Plan.

TN No. 11-001

Supersedes

Approval Date JAN 17 2012

Effective Date 01/01/2011

TN No. NEW

CMS ID: 7982E

State Plan Under Title XIX of the Social Security Act
Medical Assistance Program

Attachment 4.19-B
Section 1 Page 5

State: NORTH CAROLINA

_____ Additional Other Provider-Preventable Conditions identified below (please indicate the section(s) of the plan and specific service type and provider type to which the provisions will be applied.

TN No. 11-001

Supersedes

Approval Date JAN 17 2012

Effective Date 01/01/2011

TN No. NEW

CMS ID: 7982E

State Plan Under Title XIX of the Social Security Act
Medical Assistance Program

State: NORTH CAROLINA

Payments for Medical and Remedial Care and Services: Inpatient Hospital

Payment for Hospital Acquired Conditions:

Effective January 1, 2011 and in accordance with Title XIX of the Social Security Act – Sections 1902, 1903 and 42 CFRs 434, 438, and 447, Medicaid will make no payment to providers for services related to Provider Preventable Conditions (PPC) which includes Healthcare Acquired Condition (HCAC) and Never Events (NE).

In accordance with N.C. State Plan, Attachment 3.1-A, Page 1, Hospital Services payments are allowed except for the following conditions outlined below.

The above effective date and after, for all Medicaid patients, requests for Diagnosis Related Groups (DRGs) attributable to Present on Admission (POA) conditions will be reimbursed for allowable charges. Peer Review Organization (PRO) review for Present on Admission (POA) is not required.

Provider Preventable Conditions (PPC), which includes Healthcare Acquired Condition (HCAC), with diagnose codes with Y or W, or as defined by CMS, will be considered in the DRG calculation. Conversely, any diagnoses codes with N or U, or as defined by CMS, will not be considered in the DRG calculation. Provider Preventable Conditions (PPC) will not be approved by the Peer Review Organization (PRO). Providers must identify and report PPC occurrences.

Never Events (NE) are defined by the National Coverage Determination (NCD) manual for Inpatient Hospitals and practitioners, and these providers will be required to report NEs. Never Events (NE) for Inpatient Hospital claims will bill separate claims using by Bill Type 110 or as designated by the National Uniform Bill Committee for a non-payment/zero claim. The non-covered Bill Type 110 must have one of the ICD-9 diagnosis codes.

- E876.5 – Performance of wrong operation (procedure) on correct patient
- E876.6 – Performance of operation (procedure) on patient not scheduled for surgery
- E876.7 – Performance of correct operation (procedure) on wrong side/body part

The provider may file a separate claim for the same Medicaid recipient with the same dates of service to include the allowable charges for reimbursement. Providers must identify and report NE occurrences.

Prohibition on payments for PPCs, HCACs and NEs shall not result in a loss of access to care or services for Medicaid beneficiaries. This policy applies to all Medicaid reimbursement provisions, contained in 4.19A, including Medicaid supplemental or enhanced payments and Medicaid disproportionate share hospital payments.

JAN 17 2012

TN No. 11-001
Supersedes
TN No. NEW

Approval Date _____

Eff. Date 01/01/2011

State Plan Under Title XIX of the Social Security Act
Medical Assistance Program

State: North Carolina

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment under Section 4.19 (A)

 X Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Effective January 1, 2011, Medicaid will make zero payment to providers for services related to Provider Preventable Conditions (PPC) which includes Healthcare Acquired Conditions (HCAC). Reimbursement for conditions described above is defined in Attachment 4.19A, Page 8a of this State Plan.

TN No. 11-001

Supersedes

TN No. NEW

Approval Date JAN 17 2012

Eff. Date 01/01/2011

State Plan Under Title XIX of the Social Security Act
Medical Assistance Program

State: North Carolina

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section(s) 4.19(A)

 X Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

TN No. 11-001
Supersedes
TN No. NEW

Approval Date JAN 17 2012

Eff. Date 01/01/2011

State Plan Under Title XIX of the Social Security Act
Medical Assistance Program

State: North Carolina

_____ Additional Other Provider-Preventable Conditions identified below (please indicate the section(s) of the plan and specific service type and provider type to which the provisions will be applied.

TN No. 11-001
Supersedes
TN No. NEW

Approval Date JAN 17 2012

Eff. Date 01/01/2011

OS Notification

State/Title/Plan Number: NC 11-001
Type of Action: SPA Approval
Required Date for State Notification: 01/17/2012
Fiscal Impact: FY 2008 (\$5 mil)
FY 2009 (\$5 mil)

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0
Number of Potential Newly Eligible People: 0
Eligibility Simplification: No

Provider Payment Increase: No

Delivery System Innovation: No
Number of People Losing Medicaid Eligibility: 0
Reduces Benefits: No

Detail:

Effective January 1, 2011 this amendment proposes to deny payment for Provider-Preventable-Conditions including Health Care-Acquired Conditions and Other Provider Preventable Conditions. Specifically, the State will deny payment for;

- **for Inpatient Hospital-Acquired Conditions other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients;**
- **For Outpatient Hospital, Ambulatory Surgical Centers and practitioners for wrong surgical or other invasive procedure performed on a patient: surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.**

Other Considerations:

The State has responded satisfactorily to the funding questions.

The State has responded satisfactorily to the ARRA questions.

Tribal consultation was conducted for this amendment.

We do not recommend the Secretary contact the governor.

CMS Contact: Stanley Fields, NIRT 502-223-5332