

Bulletin Number: MSA 11-21

Distribution: All Providers

Issued: June 1, 2011

Subject: Medicaid Non-Payment and Reporting Requirements for Provider Preventable Conditions

Effective: July 1, 2011

Programs Affected: Medicaid, Children's Special Health Care Services, Maternity Outpatient Medical Services, and Adult Benefits Waiver

In response to the requirements outlined in Section 2702 of the Affordable Care Act (ACA), and the Centers for Medicare and Medicaid Services (CMS) proposed federal regulations 42 CFR Part 434 (CMS-2400-P), the Michigan Department of Community (MDCH) is implementing new policy that prohibits Medicaid payment for services related to Provider Preventable Conditions (PPCs).

In addition, MDCH will require that providers self-report the occurrence of a PPC. MDCH will implement the CMS proposal and prohibit Medicaid payments for care associated with PPCs. The new policy is effective for dates of service on and after July 1, 2011.

PROVIDER PREVENTABLE CONDITIONS (PPCs)

CMS has introduced an umbrella term, Provider Preventable Conditions, that addresses both hospital and non-hospital conditions identified by the State for non-payment. PPCs are defined as Health Care Acquired Conditions and Other Provider Preventable Conditions.

Health Care Acquired Conditions (HCAC)

As of July 1, 2011, MDCH has adopted the CMS Present on Admission (POA) - Hospital-Acquired Conditions (HAC) policy. Conditions/secondary diagnosis codes are identified by Medicare as HACs when not present on hospital admission.

Other Provider Preventable Conditions (OPPCs)

OPPCs are conditions occurring in any health care setting that could have reasonably been prevented through the application of evidence based guidelines. Conditions currently identified by CMS include: wrong surgical or other invasive procedure performed on a patient; surgical or other invasive surgery performed on the wrong body part; and surgical or other invasive procedure performed on the wrong patient.

MDCH will continue to follow CMS guidelines and national coverage determinations (NCDs), including any future additions or changes to the current list of HAC conditions, diagnosis codes, and OPPCs.

MEDICAID POLICY

In compliance with Section 2702 of the ACA, MDCH will adopt Medicare's non-coverage and reporting requirements related to PPCs. The policy affects all Medicaid enrolled providers including physicians, inpatient and outpatient hospitals, ambulatory surgical centers, and other facilities.

Beneficiary and/or their families are held harmless and provider and/or facility/hospital must not bill the Medicaid beneficiaries or their families (including copayment, deductibles or coinsurance) for PPCs. Any reduction in payment would be limited to the amounts directly identifiable as related to the PPC and the resulting treatment.

The policy applies to all services performed on Medicaid beneficiaries, including dual-eligibles and those enrolled in a Medicaid Health Plan.

REPORTING REQUIREMENTS FOR PPCs

- Providers must report the occurrence of a PPC through the appropriate claim(s) type submission process.
- MDCH will not accept Medicare primary, Medicaid secondary professional, or institutional crossover claims resulting in zero liability.
- MDCH will align with Medicare's policy and billing guidelines for all providers impacted by this policy, and adopt CMS' changes.

INPATIENT HOSPITAL

MDCH follows the CMS applicable PPC and billing guidelines. The provider must report the appropriate Type of Bill (TOB) and must have one of the following ICD-9-CM diagnosis codes reported in the appropriate diagnosis positions 2 through 9.

ICD-9-CM	Definition
E876.5	Performance of wrong operation (procedure) on correct patient (existing code).
E876.6	Performance of operation (procedure) on patient not scheduled for surgery.
E876.7	Performance of correct operation (procedure) on wrong side/body part.

If there are also covered services/procedures provided during the same stay, MDCH follows the Medicare billing requirements.

OUTPATIENT - AMBULATORY SURGICAL CENTERS (ASCs), OTHER APPROPRIATE BILL TYPES, AND PRACTITIONER CLAIMS

Hospital outpatient departments, ASCs, and practitioners must submit the appropriate claim format and are encouraged to bill electronically.

MDCH follows the CMS applicable PPC and billing guidelines. MDCH will suspend all claim lines related to PPCs (when reported by one of the applicable Healthcare Common Procedure Coding System [HCPCS] modifiers) for evaluation of non-payment. Providers must use one of the following modifiers when reporting erroneous surgeries:

Modifier	Definition
PA	Surgery Wrong Body Part
PB	Surgery Wrong Patient
PC	Wrong Surgery on Patient

Manual Maintenance

Retain this bulletin until applicable information has been incorporated into the Michigan Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink that reads "Stephen Fitton". The signature is written in a cursive style with a small dot above the letter 'i' in "Fitton".

Stephen Fitton, Director
Medical Services Administration