

Clinical Policy: Serious Reportable Events, Hospital Acquired Conditions, and Other Provider Preventable Conditions

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Last Review Date: 03/21

[Coding Implications](#)

[Revision Log](#)

See [Important Reminder](#) at the end of this policy for important regulatory and legal information.

Description

Never Events	A series of medical errors that are defined by CMS as, “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.”
Serious Reportable Events (SREs)	SREs are defined by the National Quality Forum (NQF). These are medical events that are clearly identifiable and measurable, usually preventable, and which are serious in their consequences (such as resulting in death or loss of a body part, injury more than transient loss of a body function or assault). These events are also characterized as adverse in nature, represent a clear indication of a health care provider’s lack of safety systems and/or, are events that are important measures for public credibility or public accountability.
Hospital Acquired Conditions (HAC)	Conditions defined by Medicare which could reasonably have been prevented through the application of evidence-based guidelines. HACs apply to any inpatient setting and are reported on a claim using a combination of diagnosis codes, procedure codes, and the Present on Admission (POA) indicator.
POA (Present on Admission)	Defined as present at the time the order for inpatient admission occurs; conditions that develop during an outpatient encounter are considered POA. The POA indicator is assigned to principal and secondary diagnoses. For a list of POA exempt diagnosis codes reference the ICD-9-CM Official Guidelines for Coding and Reporting.
Provider-Preventable Conditions (PPCs)	Include the following categories: Health Care Acquired Conditions (HCACs) – any condition identified in the Centers for Medicare and Medicaid Services (CMS) full list of hospital-acquired conditions (HACs) pursuant to Section 1886(d)(4)(D)(iv) of the Social Security Act (SSA).
Other Provider-Preventable Conditions (OPPCs)	A condition as defined in CMS federal regulations at 42 CFR 447.26(b), which are further divided into two sub-categories: The three Medicare National Coverage Determinations (NCDs), which are: <ul style="list-style-type: none"> • 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 on the --wrong patient

Lapses in patient safety are a major health care quality problem, and the occurrence of patient harm due to such lapses is remarkably common, causing tens of thousands of deaths each year in the United States. Recent studies suggest that most lapses in patient safety are the unintended consequences of a highly complex and imperfect healthcare delivery system in which individual minor mishaps occasionally combine to yield harmful, and sometimes disastrous, results. A large majority of these lapses are preventable Identifying where and when in the care process mishaps

occur, and changing processes of care to reduce the chance of harm, requires reliable data about the occurrence of preventable adverse events.

The National Quality Forum has identified 29 events as occurrences that should never happen in a hospital and can be prevented, thus labeled “never events” or serious reportable events (SREs). Included in these events are things like performing the wrong surgical procedure, product or device events such as contaminated drugs or devices, and criminal events such as abduction of a patient. The complete list of SREs is attached in Appendix 1. According to the NQF, these never events are “of concern to both the public and healthcare professionals and providers; clearly identifiable and measurable (and thus feasible to include in a reporting system); and of a nature such that the risk of occurrence is significantly influenced by the policies and procedures of the healthcare organization.

In addition, the Center for Medicare and Medicaid Services (CMS) has promulgated a list of hospital-acquired conditions (HACs) for which additional inpatient hospital payments are withheld if the condition was not present on admission (POA). The Medicare list is included in Appendix 2 and can also be found at: [CMS Hospital Acquired Conditions-POA List](#)

CMS has also identified Other Provider Preventable Conditions (PPC) for which payments are to be denied in *any* health care setting. These PPCs are also included in the list of SREs (Appendix 1)

- 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.

For consistency with CMS and other payors, this policy requires CMS HACs (attached as appendix 2) and PPCs be reported to Meridian Health Plan by the facility. In addition, Meridian will monitor facilities and identify possible SREs (appendix 1) that are not included in the CMS policy.

Note: In regards to Appendix 1 and 2, Meridian will apply the most up-to-date list of Serious Reportable Events and Hospital Acquired Conditions at the time of the event. If there is any question about what the most up-to-date list is, please use the hyperlinks provided to direct you to the website.

- NQFs list of Serious Reportable Events:
http://www.qualityforum.org/Topics/SREs/List_of_SREs.aspx
- CMS Hospital Acquired Conditions List & Never Events:
https://www.cms.gov/medicare/medicare-fee-for-service-payment/hospitalacqcond/hospital-acquired_conditions.html

Policy/Criteria

- I. It is the policy of MeridianHealth affiliated with Centene Corporation® that Meridian has adopted the recommendations of the National Quality Forum and CMS to assist in providing a safe environment for medical services to the members that minimizes preventable events from occurring.

- A. Acute care inpatient facilities are responsible for reporting Hospital Acquired Conditions (HACs) as defined by CMS (Appendix 2) to Meridian within 48 hours of the event;
 - i. If, after a quality review by one of the Medical Directors at the Meridian Health Plan, it is determined a preventable event has occurred from the list below, then Meridian may withhold payment for part or all of the medical services related to the event.
 - ii. Furthermore, this policy serves to hold the patient and payer/employer financially harmless for the event and its consequence. If patient harm occurs, and upon quality review as previously stated, the facility and/or provider could have reasonably avoided said harms, then Meridian may withhold payment for part or all services related to the event and its consequence.
- B. Meridian follows CMS guidelines for reporting Present on Admission (POA) indicators and expects applicable facilities to submit POA indicators for all product lines. The POA Indicator requirement applies to all inpatient acute care hospitals with the following exceptions:
 - i. Critical Access Hospitals (CAHs)
 - ii. Long-term Care Hospitals (LTCHs)
 - iii. Maryland Waiver Hospitals
 - iv. Cancer Hospitals
 - v. Children's Inpatient Facilities
 - vi. Rural Health Clinics
 - vii. Federally Qualified Health Centers
 - viii. Religious Non-Medical Health Care Institutions
 - ix. Inpatient Psychiatric Hospitals
 - x. Inpatient Rehabilitation Facilities
 - xi. Veterans Administration/Department of Defense Hospitals
- C. Meridian can monitor for SRE/HAC/PPC through multiple avenues including member complaints, care coordination, utilization review and Fraud Waste and Abuse investigations. These concerns will then be investigated through internal Meridian processes to determine if there is concern regarding the event.
- D. Meridian will continue to deny payment for medical errors, but does recognize that many variables can impact payment determination in any specific case. Consistent with state and federal guidelines, Meridian does not reimburse providers for the cost of services that are attributable to Serious Reportable Events, or Provider Preventable Conditions. If a condition defined as a Provider Preventable Condition existed for a member prior to the onset of treatment by a provider, no reduction in payment will be imposed on that particular provider. Due to the variables that can impact the payment determination, Meridian take into consideration the results of the Quality Review determining if one or more providers are accountable for the SRE/HAC/PPC and from there conduct a Payment Review and Determination based on the Quality Review findings.
- E. Based on the findings Meridian could take the following actions:
 - i. Full denial of payment; or

- ii. Partial denial of payment based on DRG assignment reflecting the POA indicators
 - iii. Facility or site inspection
 - iv. Corrective action plan
- F. Examples of variables that could impact payment are as followed:
- i. The timing of occurrence of the SRE/HAC/PPC, within the patient's episode of care;
 - ii. The specific roles as well as clinical and procedural requirements of the providers involved in the patients episode of care (e.g. surgeons, anesthesiologists, hospital-based physicians and nursing staff, etc.);
 - iii. Patient behavior.

Coding Implications

This clinical policy references Current Procedural Terminology (CPT®). CPT® is a registered trademark of the American Medical Association. All CPT codes and descriptions are copyrighted 2019, American Medical Association. All rights reserved. CPT codes and CPT descriptions are from the current manuals and those included herein are not intended to be all-inclusive and are included for informational purposes only. Codes referenced in this clinical policy are for informational purposes only. Inclusion or exclusion of any codes does not guarantee coverage. Providers should reference the most up-to-date sources of professional coding guidance prior to the submission of claims for reimbursement of covered services.

CPT®* Codes	Description

HCPCS ®* Codes	Description

ICD-10-CM Diagnosis Codes that Support Coverage Criteria

+ Indicates a code(s) requiring an additional character

ICD-10-CM Code	Description

Reviews, Revisions, and Approvals	Date	Approval Date
Original approval date		12/21/12

References

1. National Quality Forum List of SREs (Appendix 1)
http://www.qualityforum.org/Topics/SREs/List_of_SREs.aspx
2. CMS Hospital Acquired Conditions (Appendix 2)
http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalAcqCond/index.html?redirect=/HospitalAcqCond/05_Coding.asp
3. The National Quality Forum Serious Reportable Events in Healthcare-2011 Update: A Consensus Report. Retrieved from:
<http://www.doh.wa.gov/Portals/1/Documents/2900/NQF2011Update.pdf>
2. Kenneth W. Kizer, Melissa B. Stegun: Serious reportable adverse events in health care. Advances in Patient Safety: Vol. 4 349-352. Retrieved from:
<http://www.ncbi.nlm.nih.gov/pubmed/21250024>
3. Centers for Medicare & Medicaid Services. <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Financing-and-Reimbursement/Provider-Preventable-Conditions.html>
4. **ICD-10** HAC List. CMS
5. State of Illinois Contract between the Department of Healthcare and Family Services and Meridian Health Plan of Illinois, 2018-24-601, Preauthorization and Concurrent Review Requirements, 1.1.2.3.3

¹Appendix 1 List of Serious Reportable Events

6. SURGICAL OR INVASIVE PROCEDURE EVENTS

- A. Surgery or other invasive procedure performed on the wrong site -**
Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
- B. Surgery or other invasive procedure performed on the wrong patient -**
Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
- C. Wrong surgical or other invasive procedure performed on a patient -**
Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities

¹ National Quality Forum website, accessed 2/26/2020
http://www.qualityforum.org/Topics/SREs/List_of_SREs.aspx

- D. **Unintended retention of a foreign object in a patient after surgery or other invasive procedure** - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
- E. **Intraoperative or immediately postoperative/post procedure death in an ASA Class 1 patient**
Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices
- 7. **PRODUCT OR DEVICE EVENTS**
- F. **Patient death or serious injury associated with the use of contaminated drugs, devices, or biologics provided by the healthcare setting** - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
- G. **Patient death or serious injury associated with the use or function of a device in patient care, in which the device is used or functions other than as intended** - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
- H. **Patient death or serious injury associated with intravascular air embolism that occurs while being cared for in a healthcare setting** - Applicable in: hospitals, outpatient/office-based surgery centers, long-term care/skilled nursing facilities
- 8. **PATIENT PROTECTION EVENTS**
- I. **Discharge or release of a patient/resident of any age, who is unable to make decisions, to other than an authorized person** - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities.
- J. **Patient death or serious injury associated with patient elopement (disappearance)** - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
- K. **Patient suicide, attempted suicide, or self-harm that results in serious injury, while being cared for in a healthcare setting** - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
- 9. **CARE MANAGEMENT EVENTS**
- L. **Patient death or serious injury associated with a medication error (e.g., errors involving the wrong drug, wrong dose, wrong patient, wrong time, wrong rate, wrong preparation, or wrong route of administration)** - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
- M. **Patient death or serious injury associated with unsafe administration of blood products**- Applicable in: hospitals, outpatient/office-based surgery centers,

ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities

- N. **Maternal death or serious injury associated with labor or delivery in a low-risk pregnancy while being cared for in a healthcare setting** - Applicable in: hospitals, outpatient/office-based surgery centers
 - O. **Death or serious injury of a neonate associated with labor or delivery in a low-risk pregnancy**
Applicable in: hospitals, outpatient/office-based surgery centers
 - P. **Patient death or serious injury associated with a fall while being cared for in a healthcare setting**
Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
 - Q. **Any Stage 3, Stage 4, and unstageable pressure ulcers acquired after admission/presentation to a healthcare setting** - Applicable in: hospitals, outpatient/office-based surgery centers, long-term care/skilled nursing facilities
 - R. **Artificial insemination with the wrong donor sperm or wrong egg** -
Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices
 - S. **Patient death or serious injury resulting from the irretrievable loss of an irreplaceable biological specimen** - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
 - T. **Patient death or serious injury resulting from failure to follow up or communicate laboratory, pathology, or radiology test results** - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
- 10. ENVIRONMENTAL EVENTS**
- U. **Patient or staff death or serious injury associated with an electric shock in the course of a patient care process in a healthcare setting** - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
 - V. **Any incident in which systems designated for oxygen or other gas to be delivered to a patient contains no gas, the wrong gas, or are contaminated by toxic substances** - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
 - W. **Patient or staff death or serious injury associated with a burn incurred from any source in the course of a patient care process in a healthcare setting** -
Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities
 - X. **Patient death or serious injury associated with the use of physical restraints or bedrails while being cared for in a healthcare setting** - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities

11. RADIOLOGIC EVENTS

Y. Death or serious injury of a patient or staff associated with the introduction of a metallic object into the MRI area - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices

12. POTENTIAL CRIMINAL EVENTS

Z. Any instance of care ordered by or provided by someone impersonating a physician, nurse, pharmacist, or other licensed healthcare provider - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities.

AA. Abduction of a patient/resident of any age- Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities.

BB. Sexual abuse/assault on a patient or staff member within or on the grounds of a healthcare setting
Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities.

CC. Death or serious injury of a patient or staff member resulting from a physical assault (i.e., battery) that occurs within or on the grounds of a healthcare setting - Applicable in: hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities

Appendix 2

Listing of ICD-10-CM Codes for Medicare Hospital Acquired Conditions can be found on the CMS site:
https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalAcqCond/icd10_hacs.html

Appendix 3

Additional other Provider Preventable conditions (additional OPPCs)

Description of condition:
<ul style="list-style-type: none"> • Intraoperative or immediate postoperative/post-procedure death in an ASA class 1 patient • Patient death or serious injury associated with the use of contaminated drugs, devices, or biologics provided by the health care setting • Patient death or serious injury associated with the use or function of a device in patient care, in which the device is used or functions other than as intended • Patient death or serious injury associated with patient elopement (disappearance) • Patient suicide, attempted suicide or self-harm resulting in serious injury, while being cared for in a health care setting • Patient death or serious associated with a medication error (for example, errors involving the wrong drug, wrong dose, wrong patient, wrong time, wrong rate, wrong preparation, or wrong route of administration) • Maternal death or serious injury associated with labor or delivery in a low-risk pregnancy while being cared for in a health care facility • Death or serious injury of a neonate associated with labor and delivery in a low-risk delivery • Unstageable pressure ulcer acquired after admission/presentation in a healthcare setting

- Patient death or serious injury resulting from the irretrievable loss of an irreplaceable biological specimen
- Patient death or serious injury resulting from failure to follow up or communicate laboratory, pathology, or radiology test results
- Death or serious injury of a patient or staff associated with the introduction of a metallic object into the MRI area
- Patient death or serious injury associated with the use of physical restraints or bedrails while being cared for in a health care setting
- Death or serious injury of a patient or staff member resulting from a physical assault (that is, battery) that occurs within, or on the grounds of, a health care setting

Important Reminder

This clinical policy has been developed by appropriately experienced and licensed health care professionals based on a review and consideration of currently available generally accepted standards of medical practice; peer-reviewed medical literature; government agency/program approval status; evidence-based guidelines and positions of leading national health professional organizations; views of physicians practicing in relevant clinical areas affected by this clinical policy; and other available clinical information. The Health Plan makes no representations and accepts no liability with respect to the content of any external information used or relied upon in developing this clinical policy. This clinical policy is consistent with standards of medical practice current at the time that this clinical policy was approved. “Health Plan” means a health plan that has adopted this clinical policy and that is operated or administered, in whole or in part, by Centene Management Company, LLC, or any of such health plan’s affiliates, as applicable.

The purpose of this clinical policy is to provide a guide to medical necessity, which is a component of the guidelines used to assist in making coverage decisions and administering benefits. It does not constitute a contract or guarantee regarding payment or results. Coverage decisions and the administration of benefits are subject to all terms, conditions, exclusions and limitations of the coverage documents (e.g., evidence of coverage, certificate of coverage, policy, contract of insurance, etc.), as well as to state and federal requirements and applicable Health Plan-level administrative policies and procedures.

This clinical policy is effective as of the date determined by the Health Plan. The date of posting may not be the effective date of this clinical policy. This clinical policy may be subject to applicable legal and regulatory requirements relating to provider notification. If there is a discrepancy between the effective date of this clinical policy and any applicable legal or regulatory requirement, the requirements of law and regulation shall govern. The Health Plan retains the right to change, amend or withdraw this clinical policy, and additional clinical policies may be developed and adopted as needed, at any time.

This clinical policy does not constitute medical advice, medical treatment or medical care. It is not intended to dictate to providers how to practice medicine. Providers are expected to exercise professional medical judgment in providing the most appropriate care, and are solely responsible for the medical advice and treatment of members/enrollees. This clinical policy is not intended

to recommend treatment for members/enrollees. Members/enrollees should consult with their treating physician in connection with diagnosis and treatment decisions.

Providers referred to in this clinical policy are independent contractors who exercise independent judgment and over whom the Health Plan has no control or right of control. Providers are not agents or employees of the Health Plan.

This clinical policy is the property of the Health Plan. Unauthorized copying, use, and distribution of this clinical policy or any information contained herein are strictly prohibited. Providers, members/enrollees and their representatives are bound to the terms and conditions expressed herein through the terms of their contracts. Where no such contract exists, providers, members/enrollees and their representatives agree to be bound by such terms and conditions by providing services to members/enrollees and/or submitting claims for payment for such services.

Note: For Medicaid members/enrollees, when state Medicaid coverage provisions conflict with the coverage provisions in this clinical policy, state Medicaid coverage provisions take precedence. Please refer to the state Medicaid manual for any coverage provisions pertaining to this clinical policy.

Note: For Medicare members/enrollees, to ensure consistency with the Medicare National Coverage Determinations (NCD) and Local Coverage Determinations (LCD), all applicable NCDs, LCDs, and Medicare Coverage Articles should be reviewed prior to applying the criteria set forth in this clinical policy. Refer to the CMS website at <http://www.cms.gov> for additional information.

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