



NEWSLETTER

Volume 18 No. 07

July 2008

TO: Hospitals – Chief Financial Officers of Acute Care Inpatient Hospitals
Route to – Patient Account Managers and Medical Records

SUBJECT: DRG Assignment for Claims with Hospital – Acquired Conditions (HAC) as Secondary Diagnoses and not Present on Admission (POA).

EFFECTIVE: July 1, 2008

PURPOSE: To notify all Acute Care Inpatient Hospital providers that the Division is amending its reimbursement of inpatient claims with HAC as secondary diagnoses and not POA.

BACKGROUND: In the past, the Division never required Acute Care Inpatient Hospital providers to identify HAC diagnoses that are not POA and has been assigning DRGs with higher payments

ACTION: For discharges occurring on or after July 1, 2008, Acute Care Inpatient hospital claims with HAC, as secondary diagnoses and not POA, will not result in the assignment of claims to DRGs that have higher payments. That is, the claims will be paid as though the secondary HAC diagnoses were not present.

Consistent with Medicare, Acute Care Inpatient hospitals must use a POA Indicator for every diagnosis on the UB-04 claim form. Claims received without a POA Indicator will be denied. The following are the POA Indicator options and definitions:

- | Code | Reason for Code |
|------|---|
| Y | Diagnosis was present at of inpatient admission.

DMAHS will pay the CC/MCC DRG for those selected HACs that are coded as “Y” for the POA Indicator. |
| N | Diagnosis was not present at time of inpatient admission.

DMAHS will not pay the CC/MCC DRG for those selected HACs that are coded as “N” for the POA Indicator. |
| U | Documentation insufficient to determine if the condition was present at the time of inpatient admission. |

DMAHS will not pay the CC/MCC DRG for those selected HACs that are coded as "U" for the PO

W Clinically undetermined. Provider unable to clinically determine whether the condition was present at the time of inpatient admission.

DMAHS will pay the CC/MCC DRG for those selected HACs that are coded as "W" for the PO

If you have questions concerning this Newsletter, please contact Hospital Reimbursement Services within the Division of Medical Assistance and Health Services at (609) 588-2668.

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