



**TO:** Non-Acute Hospitals and Health Maintenance Organizations

**SUBJECT:** Present On Admission (POA) Indicators and Healthcare Acquired Condition (HAC) Reporting on Inpatient Claims

**EFFECTIVE:** July 1, 2012

**PURPOSE:** To notify non-acute hospital providers and Health Maintenance Organizations (HMOs) of policy changes intended to deny reimbursement for inpatient days related to Healthcare Acquired-Conditions and other Provider-Preventable Conditions for services provided to New Jersey FamilyCare (NJFC)/Medicaid fee-for-service beneficiaries. This policy change affects claims with dates of service on or after July 1, 2012.

**BACKGROUND:** Federal regulations at 42 CFR Part 447, Subpart A, 42 CFR Part 434, 42 CFR Part 438, and sections 1902(a)(4), 1902(a)(6), and 1903 of the Social Security Act and Section 2702 of the Patient Protection and Affordable Care Act prohibits Medicaid payments under section 1903 of the Social Security Act for medical assistance related to certain healthcare-acquired conditions (HACs) and outpatient provider-preventable conditions (PPCs) for individuals for which Medicaid is the primary payer and for which Medicare and Medicaid are payers for dually eligible beneficiaries.

**ACTION:** The POA indicator found in the 837I transaction is used to determine if a HAC was present when a patient was admitted to a hospital.

The following are the POA Indicator options and definitions:

<b>Code</b>	<b>Reason for Code</b>
Y	Diagnosis was present at the time of inpatient admission.
N	Diagnosis was not present at the time of inpatient admission.
U	Documentation insufficient to determine if the condition was present at the time of inpatient admission.
W	Clinically undetermined. Provider unable to clinically determine whether the condition was present at the time of inpatient admission.
1	Exempt from reporting

Any diagnosis code reported on the claim with an associated POA indicator of 'N' or 'U', the days of the inpatient stay related to that HAC are not payable. These days must be identified by use of the occurrence span code of '74' and the corresponding days of the stay that relate to the HAC.

Any diagnosis code reported on the claim with an associated POA indicator of '1' must be listed on the 'Categories and Codes Exempt from Diagnosis Present on Admission Requirement' list as published in the 2011 ICD-9-CM Official Guidelines for Coding and Reporting or the claim will be denied.

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

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