



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

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TO: All Providers, Except Hospitals – **For Action**
Health Maintenance Organizations – **For Action**

SUBJECT: **New Policy Regarding Healthcare-Acquired Conditions & Other Provider-Preventable Conditions Related to Community-Based Outpatient Services**

EFFECTIVE: **Claims with service dates on or after July 1, 2011**

PURPOSE: To notify New Jersey FamilyCare (NJFC)/Medicaid fee-for-service (FFS) providers and Health Maintenance Organizations (HMOs) of policy changes intended to deny reimbursement for claims related to Healthcare-Acquired Conditions (**HACs**) and Other Provider-Preventable Conditions (**OPPCs**) provided as community-based outpatient services.

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 prohibit Medicaid payments under section 1903 of the Social Security Act for medical assistance related to certain HACs and OPPCs for individuals for which Medicaid or another insurer is the primary payer and for which Medicare and Medicaid are payers for dually-eligible beneficiaries.

What is an HAC?

HACs may relate to community-based outpatient services. ICD-9 diagnosis codes have been identified by the Centers for Medicare and Medicaid Services (CMS) as HACs, including those related to foreign objects retained after surgery; blood incompatibility; pressure ulcers, stages 3 and 4; falls and trauma; catheter-associated infections; manifestation of poor glycemic control; surgical site infections; and deep vein thrombosis/pulmonary embolisms in non-pediatric and obstetric patients. HACs may occur in an ambulatory surgical center, in a practitioner's office or in a clinic setting.

What is an OPPC?

OPPCs may also relate to community-based outpatient services. CMS has identified "**three wrongs**" as OPPCs. These are performing the wrong operation on the correct patient; performing an operation on a non-scheduled patient; and performing the correct operation on the wrong side of the body or on the wrong body part. The "three wrongs" may occur in an ambulatory surgical center, in a practitioner's office, in a dental office or in a clinic setting.

ACTION:

1. **Payments for claims with service dates on or after July 1, 2011**, for treatments related to **HACs** provided in an ambulatory surgical center, in a practitioner’s office or in a clinic shall be subject to recovery by the Division of Medical Assistance and Health Services (DMAHS). ICD-9 diagnosis codes identified by CMS as HACs are listed in the attachment to this Newsletter.
2. For the “**three wrongs**” occurring in an ambulatory surgical center, in a practitioner’s office, in a dental office or in a clinic setting, providers are required to report the procedure code modifier(s) indicated below, along with the procedure code(s) being reported to treat the occurrence of a “three wrongs” condition.

| Procedure Code Modifier | Modifier Description |
|-------------------------|---|
| PA | Surgery/invasive procedure wrong body part |
| PB | Surgery/invasive procedure wrong patient |
| PC | Wrong surgery/invasive procedure on patient |

NJFC/Medicaid FFS payments for claims related to the “**three wrongs**” shall be denied by DMAHS using an Error Code with the description, “Provider Preventable Condition – Not Covered.” In addition, audits of paid claims conducted by DMAHS that identify claim payments for services related to the “**three wrongs**” shall be subject to recovery by DMAHS.

If you have any questions concerning this Newsletter, please contact Molina Medicaid Solutions (formerly Unisys) Provider Services at 1-800-776-6334.

RETAIN THIS NEWSLETTER FOR FUTURE REFERENCE

ATTACHMENT
NEW POLICY REGARDING HACs AND PPCs

HAC LIST AS DETERMINED BY CMS

| HAC | CMS List |
|---|---|
| Foreign Object Retained After Surgery | 998.4 (CC), 998.7 (CC) |
| Air Embolism | 999.1 (CC) |
| Blood Incompatibility | 999.60 (CC), 999.61 (CC), 999.62 (CC), 999.63 (CC), 999.69 (CC) |
| Pressure Ulcer Stage III & IV | 707.23 (MCC), 707.24 (MCC) |
| Falls & Trauma (Codes on CC/MCC List) | 800 – 829; 830 – 839; 850 – 854; 925 – 929; 940 – 949; 991 - 994 |
| Catheter-Associated Urinary Tract Infection | 996.64 (CC) |
| Vascular Catheter-Associated Infection | 999.31 (CC) |
| Manifestation of Poor Glycemic Control | 249.10 – 249.11 (MCC); 249.20 – 249.21 (MCC); 250.10 – 250.13 (MCC); 250.20 – 250.23 (MCC); 251.0 (CC) |
| Surgical Site Infection, Mediastinitis, Following Coronary Artery Bypass Graft (CABG) | 519.2 (MCC) With Procedure Codes 36.10 – 36.19 |
| Surgical Site Infection Following Certain Orthopedic Procedures | 996.67 (CC), 998.59 (CC) With Procedure Codes 81.01 – 81.08; 81.23 – 81.24; 81.31 – 81.38; 81.83, 81.85 |
| Surgical Site Infection Following Bariatric Surgery for Obesity | <u>Principle Diagnosis</u> 278.01, 539.01 (CC), 539.81 (CC), 998.59 (CC) With Procedure Codes 44.38, 44.39, 44,95 |
| Deep Vein Thrombosis and Pulmonary Embolism | 415.11 (MCC), 415.13 (MCC), 415.19 (MCC), 453.40 – 453.42 With Procedure Codes 00.85 – 00.87; 81.51 – 81.52; 81.54 Exclude DVT and PE in Pediatric and obstetric patients |