

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE OF ALABAMA

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

1. The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions. These requirements apply to inpatient hospitals and inpatient psychiatric hospitals.
2. No reduction in payment for a provider preventable condition (PPC) will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.
3. Reductions in provider payment may be limited to the extent that the following apply:
 - a. The identified provider-preventable conditions would otherwise result in an increase in payment.
 - b. The State can reasonably isolate for non-payment the portion of the payment directly related to treatment for, and related to, the provider-preventable conditions in the following manner:
 - i. Hospitals are paid based on a daily per diem rate. It is the responsibility of the hospital to identify any Health Care-Acquired Condition and not seek payment for any additional days that have lengthened a recipient's stay due to a PPC. In reducing the amount of days the following is required on a claim to identify these non-covered days: Hospitals are to report a value code of '81' on the UB-04 claim form along with any non-covered days and the amount field must be greater than '0'.
 - c. Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.

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4. Hospital records will be retroactively reviewed by Medicaid's contracted Quality Improvement Organization (QIO). If any days are identified that are associated with a lengthened stay due to a PPC; then Medicaid will initiate recoupment for the identified overpayment.

Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment under Section 4.19-A.

X Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section(s) 4.19 -A.

X 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.

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

1. The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for Other provider-preventable conditions (PPC). These requirements apply to Outpatient Hospitals, Clinics, Ambulatory Surgical Centers (ASCs), and practitioners.
2. No reduction in payment for Other Provider-Preventable Conditions (PPC) will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.
3. Reductions in provider payment may be limited to the extent that the following apply:
 - a. The identified provider-preventable conditions would otherwise result in an increase in payment.
 - b. The State can reasonably isolate for non-payment the portion of the payment directly related to treatment for, and related to, the provider-preventable conditions in the following manner:
 - i. Outpatient Hospitals, Clinics, ASC's, and practitioners are paid based on a fee-for-service payment methodology. It is the responsibility of the outpatient hospital and ASC to identify and report any PPC and not seek payment from Medicaid.
 - c. Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section(s) 4.19-B.

 X 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.

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On and after the effective date below, Medicaid will make zero payments to providers for Other Provider-Preventable Conditions which includes Never Events (NE) as defined by the National Coverage Determination (NCD). The Never Events (NE) as defined in the NCD includes Inpatient Hospitals, Outpatient Hospitals, Clinics, Ambulatory Surgical Centers (ASC) and practitioners, and these providers will be required to report NEs.

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OS Notification

State/Title/Plan Number: AL 11-015
Type of Action: SPA Approval
Required Date for State Notification: 04/12/2012
Fiscal Impact: FY 2012 (\$7,283)
FY 2013 (\$7,283)

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0
Number of Potential Newly Eligible People: 0
Eligibility Simplification: No

Provider Payment Increase: No

Delivery System Innovation: No
Number of People Losing Medicaid Eligibility: 0
Reduces Benefits: No

Detail:

Effective October 1, 2011 this amendment proposes to revise the payment methodology for inpatient and outpatient hospital services and other outpatient services for surgical procedures. Specifically, the amendment proposes to deny payment for Provider Preventable conditions. To determine the fiscal impact the State estimated ten inpatient occurrences per year time a daily inpatient rate of \$1,061.43 for a total computable annual savings of \$10,614 (7,283 FFP).

Other Considerations:

The State has responded satisfactorily to the funding questions.

The State has responded satisfactorily to the ACCA questions.

Tribal consultation was conducted for this amendment.

We do not recommend the Secretary contact the governor.

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