# STATE OF ARIZONA

# METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR INPATIENT CARE

<u>Citation</u>
42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903
Payment Adjustment for Provider Preventable Conditions
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.
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.
Additional Other Provider-Preventable Conditions identified below
TN No. 11-016 Supersedes Approval Date JUL 1-8 2012 TN No. NA Effective Date July 1, 2012

CMS ID: 7982E

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## Adjustment of Inpatient Hospital Reimbursement to Account for Non-payment of HCACs and OPPCs

In accordance with 42 CFR 447.26(c), no reduction in payment for a 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. AHCCCS will use the Point of Admission (POA) indicator, as used by Medicare, to identify when a condition was acquired in the hospital.

Reductions in provider payment are limited to the extent that the State can reasonably isolate for nonpayment, the portion of the payment directly related to treatment for, and related to, the provider preventable conditions that would otherwise result in an increase in payment.

For HCACs and OPPCs: AHCCCS reimburses hospitals on a per diem basis. AHCCCS will identify potential HCACs and OPPCs, and perform medical review to determine whether or not they resulted in a longer length of stay or higher level of care. If it is determined that a HCAC or OPPC resulted in a longer stay or higher level of care, reimbursement of the related claim will be reduced to an amount commensurate with a stay and level of care had there been no HCAC or OPPC. AHCCCS will not claim FFP for expenditures for HCACs or OPPCs.

TN No. 11-016 Supersedes TN No. <u>NA</u>

CMS ID: 7982E

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# METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES OTHER TYPES OF CARE

## Citation

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

## Payment Adjustments for Provider Preventable Conditions

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.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Sections 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.

Additional Other Provider Preventable Conditions identified below.

**For OPPCs:** AHCCCS will identify potential OPPCs via codes and modifiers used on outpatient and professional claims, and perform medical review. The OPPC services identified through medical review will not be reimbursed. AHCCCS will not claim FFP for expenditures for OPPC services.

TN No. <u>11-016</u> Supersedes TN No. <u>NA</u> Approval Date: JUL 1 8 2012

Effective Date: July 1, 2012