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Office of Media Affairs

MEDICARE FACT SHEET

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CMS PROPOSES ADDITIONS TO LIST OF HOSPITAL- ACQUIRED CONDITIONS FOR FISCAL YEAR 2009

OVERVIEW:

On April 14, 2008, the Centers for Medicare & Medicaid Services (CMS) announced a proposed rule that would update payment policies and rates under the hospital inpatient prospective payment system (IPPS) for fiscal year (FY) 2009, beginning for discharges on or after October 1, 2008. CMS is proposing to select nine categories of hospital-acquired conditions (HACs) for FY 2009 in addition to the eight selected one year ago.

In addition to proposing expansion of the HAC list, CMS is proposing 43 new measures for the hospital quality measure reporting program. More information about the proposed quality measures can be found at: www.cms.hhs.gov/apps/media/fact_sheets.asp.

BACKGROUND:

Section 5001(c) of the Deficit Reduction Act (DRA) of 2005 required the Secretary of the Department of Health and Human Services to select at least two conditions that are: (1) high cost, high volume, or both; (2) identified through ICD-9-CM coding as a complicating condition (CC) or major complicating condition (MCC) that, when present as a secondary diagnosis at discharge, results in payment at a higher MS-DRG; and (3) reasonably preventable through application of evidence-based guidelines. The law further required hospitals to begin reporting on claims for discharges, beginning October 1, 2007, whether the selected conditions were present on admission (POA).

Last year, CMS selected eight conditions for the HAC provision (See Table 1). Beginning October 1, 2008, Medicare will no longer pay at a higher weighted MS-DRG for these conditions or any of the additional nine categories conditions we are proposing to add in this year's rule.

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COLLABORATING TO IMPROVE QUALITY:

CMS experts worked with public health and infectious disease professionals from the Centers for Disease Control and Prevention (CDC) to:

1. identify candidate preventable HACs and
2. develop the process for hospitals to submit a POA indicator for each diagnosis listed on IPPS hospital Medicare claims.

On December 17, 2007, CMS and CDC hosted a jointly-sponsored HAC and POA Listening Session to receive input from hospital associations and other interested individuals. CMS and CDC received informal comments during the listening session and subsequently received numerous written comments. The agenda, presentations, audio file, and written transcript of the Listening Session are available at:

http://www.cms.hhs.gov/HospitalAcqCond/07_EducationalResources.asp.

CMS is also working with the Agency for Healthcare Research and Quality (AHRQ) and the National Quality Forum (NQF) to identify which of the 28 serious preventable errors (often called “Never Events”) identified by the NQF should be subject to the HACs provisions. A separate fact sheet comparing the NQF list with the existing and proposed HACs is also being released today.

PROPOSED REVISIONS AND ADDITIONS TO THE HAC LIST FOR FY 2009

CMS is proposing to add an additional nine categories of conditions that when acquired in the hospital will no longer lead to higher Medicare payment. CMS proposing to select: surgical site infections for certain elective procedures, hypoglycemic coma, collapsed lung due to medical care, ventilator-associated pneumonia among other conditions. In addition, CMS is proposing to create new codes to better identify two conditions that were previously selected: foreign object retained after surgery; and pressure ulcers.

In addition to the proposed changes above, CMS and CDC have worked with other stakeholders to identify additional conditions that might be candidates that might appropriately be subject to the HAC payment provision (See Table 2). CMS is seeking comment on the extent to which each of these candidate conditions meets the statutory criteria for selection.

Comments on the proposed rule will be accepted through June 13. CMS will respond to comments in a final rule to be issued on or before August 1, 2008.

**TABLE 1: HOSPITAL-ACQUIRED CONDITIONS SELECTED IN IPPS FY 2008
FINAL RULE**

Selected HAC	Medicare Data¹ (FY 2007)	CC/MCC (ICD-9-CM Codes)	Selected Evidence- Based Guidelines
Foreign Object Retained After Surgery	<ul style="list-style-type: none"> ● 750 cases² ● \$63,631/hospital stay³ 	998.4 (CC) 998.7 (CC)	<p>NQF Serious Reportable Adverse Event</p> <p>NQF's Safe Practices for Better Healthcare available at: http://www.ahrq.gov/qual/nqfpract.htm</p>
Air Embolism	<ul style="list-style-type: none"> ● 57 cases ● \$71,636/hospital stay 	999.1 (MCC)	<p>NQF Serious Reportable Adverse Event</p> <p>NQF's Safe Practices for Better Healthcare available at: http://www.ahrq.gov/qual/nqfpract.htm</p>
Blood Incompatibility	<ul style="list-style-type: none"> ● 24 cases ● \$50,455/hospital stay 	999.6 (CC)	<p>NQF Serious Reportable Adverse Event</p> <p>NQF's Safe Practices for Better Healthcare available at: http://www.ahrq.gov/qual/nqfpract.htm</p>

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¹ For the IPPS FY 2009 proposed rule, the DRG analysis is based on data from the September 2007 update of the FY 2007 MedPAR file, which contains hospital bills received through September 30, 2007 for discharges through September 30, 2007.

² A case represents a patient discharge identified from the MedPAR database that met the associated HAC diagnosis/procedure criteria (a secondary diagnosis on the HAC list and, where appropriate, a procedure code described in conjunction with a specific HAC).

³ Standardized charge is the total charge for a patient discharge record based on the CMS standardization file. The average standardized charge for the HAC is the average charge for all patient discharge records that met the associated HAC criteria.

<p>Stage III & IV Pressure Ulcers</p>	<ul style="list-style-type: none"> • 257,412 cases⁴ • \$43,180/hospital stay 	<p>New codes (to replace 707.00–707.09) 707.23 (MCC) 707.24 (MCC) All other pressure ulcer codes will not be a CC.</p>	<p>NQF Serious Reportable Adverse Event</p> <p>Available at: http://www.ncbi.nlm.nih.gov/books/bv.fcgi?rid=hsat2.chapter.4409</p>
<p>Falls and Trauma: - Fractures - Dislocations - Intracranial Injuries - Crushing Injuries - Burns - Electric Shock</p>	<ul style="list-style-type: none"> • 193,566 cases⁵ • \$33,894/hospital stay 	<p>Codes within these ranges on the CC/MCC list: 800-829 830-839 850-854 925-929 940-949 991-994</p>	<p>NQF Serious Reportable Adverse Events address falls, electric shock, and burns</p> <p>NQF’s Safe Practices for Better Healthcare available at: http://www.ahrq.gov/qual/nqfpract.htm</p>
<p>Catheter-Associated Urinary Tract Infection (UTI)</p>	<ul style="list-style-type: none"> • 12,185 cases • \$44,043/hospital stay 	<p>996.64 (CC)</p> <p>Also excludes the following from acting as a CC/MCC: 112.2 (CC) 590.10 (CC) 590.11 (MCC) 590.2 (MCC) 590.3 (CC) 590.80 (CC) 590.81 (CC) 595.0 (CC) 597.0 (CC) 599.0 (CC)</p>	<p>Available at: http://www.cdc.gov/ncidod/dhqp/gl_catheter_associated.html</p>

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⁴ The number of cases of pressure ulcers reflects CC/MCC assignments for codes 707.00-707.07, 707.09, which are currently being reported. New proposed MCC codes 707.23-707.24 will be implemented on October 1, 2008.

⁵ Note: The number of cases for the falls and trauma HAC is significantly higher for IPPS FY 2009 proposed rule than for IPPS FY 2008 final rule. The IPPS FY 2008 final rule included cases in which patients fell out of bed only. The IPPS FY 2009 proposed rule includes all cases within the CC/MCC code range listed above.

Vascular Catheter-Associated Infection	<ul style="list-style-type: none">● 29,536 cases● \$103,027/hospital stay	999.31 (CC)	Available at: http://www.cdc.gov/ncidod/dhqp/gl_intravascular.html
Surgical Site Infection-Mediastinitis after Coronary Artery Bypass Graft (CABG)	<ul style="list-style-type: none">● 69 cases● \$299,237/hospital stay	519.2 (MCC) And one of the following procedure codes: 36.10–36.19	Available at: http://www.cdc.gov/ncidod/dhqp/gl_surgicalsites.html

**TABLE 2: CANDIDATE HOSPITAL-ACQUIRED CONDITIONS INCLUDED IN IPPS
FY 2009 PROPOSED RULE**

HAC Candidate	Medicare Data (FY 2007)	CC/MCC (ICD-9-CM Codes)	Selected Evidence- Based Guidelines
<p>Surgical Site Infections Following Elective Procedures: - Total Knee Replacement - Laparoscopic Gastric Bypass and Gastroenterostomy - Ligation and Stripping of Varicose Veins</p>	<p>Total Knee Replacement: • 539 cases • \$63,135/hospital stay</p> <p>Laparoscopic Gastric Bypass and Gastroenterostomy: • 208 cases • \$180,142/hospital stay</p> <p>Ligation and Stripping of Varicose Veins: • 3 cases • \$66,355/hospital stay</p>	<p>Total Knee Replacement (81.54): 996.66 (CC) and 998.59 (CC)</p> <p>Laparoscopic Gastric Bypass (44.38) and Gastroenterostomy (44.39): 998.59 (CC)</p> <p>Varicose Veins (38.59): 998.59 (CC)</p>	<p>Available at: http://www.cdc.gov/n.cidod/dhqp/gl_surgic_alsite.html</p> <p>Available at: http://www.cdc.gov/n.cidod/dhqp/gl_isolati_on.html</p>
<p>Legionnaires' Disease</p>	<ul style="list-style-type: none"> • 351 cases • \$86,014/hospital stay 	<p>482.84 (MCC)</p>	<p>Available at: http://www.cdc.gov/n.cidod/dbmd/diseaseinfo/legionellosis_g.htm</p> <p>Available at: http://www.legionella.org/</p>

<p>Glycemic Control: - Diabetic Ketoacidosis - Nonketotic Hyperosmolar Coma - Diabetic Coma - Hypoglycemic Coma</p>	<p>Diabetic Ketoacidosis</p> <ul style="list-style-type: none"> • 11,469 cases • \$42,974/hospital stay <p>Nonketotic Hyperosmolar Coma</p> <ul style="list-style-type: none"> • 3,248 cases • \$35,215/hospital stay <p>Diabetic Coma</p> <ul style="list-style-type: none"> • 1,131 cases • \$45,989/hospital stay <p>Hypoglycemic Coma</p> <ul style="list-style-type: none"> • 212 cases • \$36,581/hospital stay 	<p>Diabetic Ketoacidosis: 250.10 – 250.13 (CC)</p> <p>Nonketotic Hyperosmolar Coma: 250.20 – 250.23 (CC)</p> <p>Diabetic Coma: 250.30 – 250.33 (CC)</p> <p>Hypoglycemic Coma: 251.0 (CC)</p>	<p>NQF Serious Reportable Adverse Events address hypoglycemia</p> <p>Available at: http://www.diabetes.org/uedocuments/InpatientDMGlycemicControlPositionStmnt02.01.06.REV.pdf</p>
<p>Iatrogenic Pneumothorax</p>	<ul style="list-style-type: none"> • 22,665 cases • \$75,089/hospital stay 	<p>512.1 (CC)</p>	<p>Available at: http://www.ncbi.nlm.nih.gov/pubmed/1485006</p>
<p>Delirium</p>	<ul style="list-style-type: none"> • 480 cases • \$23,290/hospital stay 	<p>293.1 (CC)</p>	<p>Available at: http://www.ahrq.gov/clinic/ptsafety/chap28.htm</p>

<p>Ventilator-Associated Pneumonia (VAP)</p>	<ul style="list-style-type: none"> • 30,867 cases⁶ • \$135,795/hospital stay 	<p>The new code for VAP is 997.31.</p> <p>To identify cases in current Medicare data, use a ventilator code (96.70 – 96.72), plus one of the following:</p> <p>073.0 (MCC) 112.4 (MCC) 136.3 (MCC) 480.0-480.4 (MCCs) 480.8-480.9 (MCCs) 481 (MCC) 482.0-482.2 (MCC) 482.39-482.41 (MCCs) 482.49 (MCC) 482.81-482.84 (MCCs) 482.89 (MCC) 482.9 (MCC) 483.0 (MCC)</p>	<p>Available at: http://www.rcjournal.com/cpgs/09.03.0869.html</p>
<p>Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE)</p>	<ul style="list-style-type: none"> • 140,010 cases • \$50,937/hospital stay 	<p>453.40 – 453.42 415.11 415.19</p>	<p>Available at: http://www.chestjournal.org/cgi/reprint/126/3_suppl/172S</p> <p>Available at: http://orthoinfo.aaos.org/topic.cfm?topic=A00219</p>

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⁶ Note: The number of cases for VAP is significantly lower for the IPPS FY 2009 proposed rule than the IPPS FY 2008 final rule. The IPPS FY 2008 final rule included all pneumonia cases. The IPPS FY 2009 proposed rule includes only cases with a diagnosis of VAP and where a ventilator code was also included.

<i>Staphylococcus aureus</i> Septicemia	<ul style="list-style-type: none">● 27,737 cases● \$84,976/hospital stay	038.11 (MCC) 995.91 (MCC) 995.92 (MCC) 998.59 (CC) 999.3 (CC)	Available at: http://www.cdc.gov/n.cidod/dhqp/gl_isolation.html Available at: http://www.cdc.gov/n.cidod/dhqp/gl_intravascular.html (Intravascular catheter-associated <i>Staphylococcus aureus</i> septicemia only)
<i>Clostridium difficile</i> -Associated Disease (CDAD)	<ul style="list-style-type: none">● 96,336 cases● \$59,153/hospital stay	008.45 (CC)	Available at: http://www.cdc.gov/n.cidod/dhqp/gl_isolation.html Available at: http://www.cdc.gov/n.cidod/dhqp/id_CdiffFAQ_HCP.html#9

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