



Serious Adverse Event and Hospital Acquired Illness

Policy Number: POL-PP-2141

Original Creation Date 5/15/2021

Version Number: 006

Version Effective Date 5/15/2021

Policy Status: Active

Next Review Date 5/15/2027

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PROVIDER/ENTITY IMPACTED

| | | | | | |
|--|--|--|---|---|--|
| <input checked="" type="checkbox"/> PROFESSIONAL | <input checked="" type="checkbox"/> FACILITY | <input type="checkbox"/> DME | <input type="checkbox"/> AMBULATORY SURGERY | <input checked="" type="checkbox"/> LAB | <input type="checkbox"/> OTHER |
|--|--|--|---|---|--|

LINES OF BUSINESS IMPACTED

| | | | | | | |
|--|---|---|---|---|---|---|
| <input checked="" type="checkbox"/> COMMERCIAL | <input checked="" type="checkbox"/> BLUE MEDICARE ADVANTAGE | <input checked="" type="checkbox"/> ACA QHP¹ | <input checked="" type="checkbox"/> SMALL GROUP ACA | <input checked="" type="checkbox"/> JAA² | <input checked="" type="checkbox"/> FEP³ | <input type="checkbox"/> DENTAL |
|--|---|---|---|---|---|---|

¹ ACA QHP: Affordable Care Act Qualified Health Plan for Individual/Family ² JAA: Joint Administrative Account ³ FEP: Federal Employee Program

Disclaimer

Blue KC has developed Provider Payment Policies to provide guidance on payment methodologies as they pertain to submitted claims. These policies are written following industry standard recommendations from sources such as:

- Current Procedural Terminology
- Centers for Medicare and Medicaid
- American Medical Association
- National Correct Coding Initiative
- Other professional organizations and societies

Coverage of any service is determined by date of service, a member's eligibility and benefit limits for the service or services rendered, all terms of the Provider Service Agreement, and other standards of coding rules and guidelines.

Final payment is subject to the application of claims adjudication and edits common to the industry.

For confirmation of which services may be eligible for coverage and description of when medical services are considered medically necessary, not medically necessary, or investigational, please contact:

- Blue KC Provider Hotline for Commercial lines of Business 816-395-3929
- Affordable Care Act Provider Hotline 866-859-3822
- Blue Medicare Advantage Provider Hotline 866-508-7140

In the event of a conflict between any policies, the Member's coverage document will govern.

Description/Application

Blue KC will not reimburse contracted health care providers for Serious Adverse Events. These will include Serious Reportable Events (aka Never Events) as well as CMS-defined Hospital Acquired Conditions.

A serious adverse event (SAE) is an undesirable medical occurrence that results in death, is life-threatening, requires hospitalization or prolongs existing hospitalization, causes persistent or significant disability or incapacity, or results in a congenital anomaly or birth defect. Essentially, an SAE is any adverse event that is severe enough to cause significant harm or have a significant impact on the patient's health.

In 2002, the National Quality Forum (NQF) published Serious Reportable Events in Healthcare: A Consensus Report, which outlined a list of adverse events that were "serious, largely preventable and of concern to both the public and health care providers." These events and subsequent revisions to the lists became known as "never events."

A hospital-acquired condition (HAC) is one of the several medical conditions a patient can acquire during a hospital stay that was not present on admission (POA). The Centers for Medicare and Medicaid Services (CMS) have used a POA designation since October 1, 2008. Hospital acquired conditions will result in adjustments to hospital reimbursement.

Policy

Blue KC follows CMS guidelines for POA and 'never' events and will not reimburse hospitals or ancillary providers for the specific Serious Adverse Events outlined below. Members will be held harmless for any reimbursement related to Serious Adverse Events.

Blue KC's Quality Management Department reviews each month system generated claim reports that contain certain codes that match CMS Never Event Indicators. Hospital or ancillary provider documentation may be requested by Blue KC Quality Auditor and reviewed in conjunction with other claims data to determine if a never event occurred. All identified never event occurrences are shared with the Hospital and Ancillary Contracting Departments.

The following Serious Adverse Events are subject to review and identified through the diagnosis codes and the appropriate modifiers and indicators.

Non-Payment for Serious Adverse Events

CMS-defined Hospital Acquired Conditions (14)

- Foreign Object Retained After Surgery
- Air Embolism
- Blood Incompatibility
- Stage III and IV Pressure Ulcers
- Falls and Trauma
 - Fractures
 - Dislocations
 - Intracranial Injuries
 - Crushing Injuries
 - Burn
 - Other Injuries
- Manifestations of Poor Glycemic Control
 - Diabetic Ketoacidosis
 - Nonketotic Hyperosmolar Coma
 - Hypoglycemic Coma
 - Secondary Diabetes with Ketoacidosis

- Secondary Diabetes with Hyperosmolarity
- Catheter-Associated Urinary Tract Infection (UTI)
- Vascular Catheter-Associated Infection
- Surgical Site Infection, Mediastinitis, Following Coronary Artery Bypass Graft (CABG)
- Surgical Site Infection Following Bariatric Surgery for Obesity
 - Laparoscopic Gastric Bypass
 - Gastroenterostomy
 - Laparoscopic Gastric Restrictive Surgery
- Surgical Site Infection Following Certain Orthopedic Procedures
 - Spine
 - Neck
 - Shoulder
 - Elbow
- Surgical Site Infection Following Cardiac Implantable Electronic Device (CIED)
- Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) Following Certain Orthopedic Procedures:
 - Total Knee Replacement
 - Hip Replacement
- Iatrogenic Pneumothorax with Venous Catheterization

Never Events (Serious Reportable Events)

This section specifically applies to the following three Never Events.

1. Surgery was performed on the wrong body part.
2. Surgery was performed on the wrong patient.
3. Wrong surgical procedure performed.

Surgery or other invasive procedures performed on the wrong side.

Applicable in hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities.

Surgery or other invasive procedure performed on the wrong patient.

Applicable in hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities.

Wrong surgical or other invasive procedure performed on a patient.

Applicable in hospitals, outpatient/office-based surgery centers, ambulatory practice settings/office-based practices, long-term care/skilled nursing facilities.

POA (present on admission)

POA is defined as present at the time the order for inpatient admission occurs. Conditions that develop during an outpatient encounter, including emergency department, observation, or outpatient surgery, are considered POA. POA indicator reporting is mandatory for all claims involving inpatient admissions to general acute care hospitals or other facilities.

A POA Indicator must be assigned to principal and secondary diagnoses (as defined in Section II of the Official Guidelines for Coding and Reporting) and the external cause of injury codes.

CMS does not require a POA Indicator for an external cause of injury code unless it is being reported as an "other" diagnosis

Providers must report one of five indicators.

Y = yes (present at the time of inpatient admission.)

N = no (not present at the time of inpatient admission.)

U = unknown (documentation is insufficient to determine if condition was present at the time of admission.)

W = clinically undetermined (provider is unable to clinically determine whether condition was present on admission.)

1 (on electronic claims) or blank (for paper claims) = exempt from POA reporting

Time frame for POA identification and documentation

Providers are not required to identify or document a condition within a given period for it to be classified as present on admission. In some clinical situations it may not be possible for a provider to make a definitive diagnosis at the time of admission; likewise, a patient may not recognize or report a condition immediately. In some cases, it may be several days before the provider arrives at a definitive diagnosis.

Hospital Acquired Conditions

Hospital-acquired conditions (HACs) are preventable infections, injuries, or medical complications that patients develop during an inpatient hospital stay that were not present upon admission. These conditions, which include surgical site infections, falls, and pressure ulcers, are tracked to measure hospital safety and quality of care.

HACs are monitored because they indicate gaps in safety, often causing significant harm, requiring longer hospital stays, and increasing costs. Blue KC will not reimburse for costs associated with hospital acquired conditions

Common Examples of Hospital-Acquired Conditions (HACs)

Common HACs include:

- Infections: Catheter-associated urinary tract infections (UTI), surgical site infections (e.g., following bariatric surgery or orthopedic procedures), and vascular catheter-associated infections.
- Pressure Ulcers: Development of Stage III or IV pressure ulcers (bed sores).
- Injuries: Falls, traumas, fractures, or dislocations occurring during the stay
- Surgical Complications: Foreign objects retained after surgery or air embolisms.
- Other Complications: Blood incompatibility, poor glycemic control, and deep vein thrombosis (DVT) or pulmonary embolism (PE) after certain procedures

<https://www.cms.gov/medicare/payment/fee-for-service-providers/hospital-acquired-conditions-hac>

| Coding | |
|---------------------------------|---|
| Diagnosis Code for Never Events | Description |
| Y65.0 | Mismatched blood in transfusion |
| Y65.1 | Wrong fluid used in infusion |
| Y65.2 | Failure in suture or ligature during surgical operation |
| Y65.3 | Endotracheal tube was wrongly placed during anesthetic procedure |
| Y65.4 | Failure to introduce or to remove other tube or instrument |
| Y65.51 | Performance of wrong procedure (operation) on correct patient |
| Y65.52 | Performance of procedure (operation) on patient not scheduled for surgery |
| Y65.53 | Performance of correct procedure (operation) on wrong side or body part |
| Y65.8 | Other specified misadventures during surgical and medical care |
| Outpatient Modifiers | Description |
| -PA | Surgical or invasive procedure on the wrong body part |
| -PB | Surgical or invasive procedure on the wrong |
| -PC | Wrong surgery or invasive procedure on a patient |
| Inpatient Modifiers | Description |
| MX | Wrong Surgery on Patient |
| MY | Surgery on Wrong Body Part |
| MZ | Surgery on Wrong Patient |

References and Resources

Centers for Medicare and Medicaid Services
<https://www.cms.gov/newsroom/fact-sheets/eliminating-serious-preventable-and-costly-medical-errors-never-events>

Related Documents

N/A

| Revision History | | |
|------------------|------------|--|
| Version | Date | Summary of Revisions |
| 001 | 05/15/2021 | Initial version |
| 002 | 8/05/2022 | Annual Review, no updates or changes were made to the policy |

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|-----|-----------|---|
| 003 | 7/12/2023 | Annual Review, no updates or changes were made to the policy |
| 004 | 7/09/2024 | Blood draws are considered to be a part of the lab service and are not separately reimbursed. |
| 005 | 5/15/2025 | Annual Review, inpatient modifiers for never events, MX, MY, and MZ were added. |
| 06 | 5/1/2026 | Annual Review, update – additional information and link were added for Hospital Acquired conditions |