



KEY PROVIDER ISSUES IN HEALTH CARE REFORM

April 2010

HEALTHCARE ACQUIRED CONDITIONS (HAC)

CMS will impose penalties for high rates of HACs

Prior to passage of health care reform, the law prohibited hospitals from increasing the severity level of a hospital discharge if patients acquired infections or experienced one of several types of injury, known as a hospital acquired condition (HAC) during their stay. This policy had a minimal impact on hospital payments and often no impact because patients who experience infection or injury often had other complications or co morbidities causing them to remain in the higher MS-DRG category.

The passage of PPACA will make it more important for hospitals and other providers to know and seek to improve their infection and injury rate because,

- hospitals in the top quartile, nationally, for HAC rates will begin to receive a 1 percent payment penalty starting in FY2014;
- hospitals' HAC rates will be published for the public on *Hospital Compare* in 2012; and
- the Secretary of HHS will study expanding the HAC policy to LTCHs, IRFS, outpatient departments, SNFs, ASCs, and clinics.

Further, the list of conditions and injuries subject to this new policy was recently revised and expanded in the annual rulemaking process for inpatient hospital payments and is included below. An injury or condition is considered "hospital-acquired" if it was not coded as "present upon admission." The current list of HACs, with detailed explanations, can be found through the Center for Medicare and Medicaid Services website: [Hospital Information for Professionals](#).

1. Foreign object retained after surgery
2. Air embolism
3. Blood incompatibility
4. Stage III and IV pressure ulcers
5. Falls and trauma, includes burns
6. Manifestations of poor glycemic control
7. Catheter-associated urinary tract infection
8. Vascular catheter-associated infection
9. Surgical site infections following certain orthopedic procedures
10. Surgical site infections following bariatric surgery
11. Deep vein thrombosis (DVT)/pulmonary embolism (PE) following certain orthopedic procedures

For information, visit www.strategichealthcare.net, or contact Marian Lowe, Partner, Strategic Health Care, at 202-266-2606 or at marian.lowe@shcare.net.