

## Corporate Medical Policy

### Nonpayment for Serious Adverse Events

**File Name:** nonpayment\_for\_serious\_adverse\_events  
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#### Description of Procedure or Service

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Adverse healthcare events are a leading cause of death and injury in the United States. A November 1999 report by the Institute of Medicine indicated that as many as 98,000 people die in hospitals each year as the result of medical errors. This would make medical errors the eighth leading cause of death in this country. Errors occur not only in hospitals but in other health care settings, such as physicians' offices, nursing homes, pharmacies, urgent care centers, and care delivered in the home. Unfortunately, very little data exist on the extent of the problem outside of hospitals.

The Institute of Medicine defines medical error as "the failure to complete a planned action as intended or the use of a wrong plan to achieve an aim." An adverse event is defined as "an injury caused by medical management rather than by the underlying disease or condition of the patient." Some adverse events are not preventable and they reflect the risk associated with treatment, such as a life-threatening allergic reaction to a drug when the patient had no known allergies to it. But, research clearly shows that the majority of medical errors can be prevented.

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."

#### Benefits Application

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This medical policy relates only to the services or supplies described herein. Please refer to the Member's Benefit Booklet for availability of benefits. Member's benefits may vary according to benefit design; therefore member benefit language should be reviewed before applying the terms of this medical policy.

#### Hospital Acquired Conditions (HACs)

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All participating providers must populate Present on Admission (POA) indicator on all acute care inpatient hospital claims for Never Events, as applicable. Participating acute care inpatient hospitals will not be permitted to receive or retain reimbursement for inpatient services related to Never Events and they must hold members harmless for any inpatient services related to Never Events.

The 12 Hospital Acquired Conditions included in the list of Never Events are as follows:

- Pressure ulcers stages III and IV
- Catheter-associated urinary tract infections
- Vascular catheter-associated infection
- Surgical site infection, mediastinitis, following coronary artery bypass graft (CABG)
- Air embolism
- Blood incompatibility

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- Foreign object retained after surgery
- Falls and trauma (fracture, dislocation, intracranial injury, crushing injury, burn, electric shock)
- Surgical-site infections following certain orthopedic procedures
- Surgical-site infections following bariatric surgery for obesity
- Manifestations of poor glycemic control
- Deep vein thrombosis and pulmonary embolism following certain orthopedic procedures

The 3 wrong surgeries included in the list are:

- Wrong surgical procedure performed
- Surgery performed on a wrong patient
- Surgery performed on a wrong body part

## Hospital Acquired Conditions and Codes

### Current ICD Diagnosis Code list:

HAC	Complicating Condition (CC) Major Complicating Condition (MCC) (ICD-9-CM Codes)
Foreign object retained after surgery	998.4 (CC) 998.7 (CC)
Air embolism	999.1 (MCC)
Blood incompatibility	999.6 (CC)
Pressure ulcer stages III and IV	707.23 (MCC) 707.24 (MCC)
Fall and Trauma: <ul style="list-style-type: none"> <li>• Fracture</li> <li>• Dislocation</li> <li>• Intracranial injury</li> <li>• Crushing injury</li> <li>• Burn</li> <li>• Electric shock</li> </ul>	Codes within these ranges on the CC/MCC list: 800-829 830-839 850-854 925-929 940-949 991-994
Catheter-associated urinary tract infection (UTI)	996.64 (CC) 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)
Vascular catheter-associated infection	999.31 (CC)
Manifestations of poor glycemic control <ul style="list-style-type: none"> <li>• Diabetic ketoacidosis</li> <li>• Nonketotic hyperosmolar coma</li> <li>• Hypoglycemic coma</li> </ul>	250.10-250.13 (MCC) 250.20-250.23 (MCC) 251.0 (CC) 249.10-249.11 (MCC)

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<ul style="list-style-type: none"> <li>• Secondary diabetes with ketoacidosis</li> <li>• Secondary diabetes with hyperosmolarity</li> </ul>	249.20-249.21 (MCC)
Surgical site infection, mediastinitis, following coronary artery bypass graft (CABG)	519.2 (MCC) And one of the following procedure codes: 36.10-36.19
Surgical site infection following certain orthopedic procedures <ul style="list-style-type: none"> <li>• Spine</li> <li>• Neck</li> <li>• Shoulder</li> <li>• Elbow</li> </ul>	996.67 (CC) 998.59 (CC) And one of the following procedure codes: 81.01-81.08, 81.23-81.24, 81.31-81.38, 81.83, or 81.85
Surgical site infection following bariatric surgery for obesity <ul style="list-style-type: none"> <li>• Laparoscopic gastric bypass</li> <li>• Gastroenterostomy</li> <li>• Laparoscopic gastric restrictive surgery</li> </ul>	Principal Diagnosis – 278.01 998.59 (CC) And one of the following procedure codes: 44.38, 44.39, or 44.95
Deep vein thrombosis and pulmonary embolism following certain orthopedic procedures <ul style="list-style-type: none"> <li>• Total knee replacement</li> <li>• Hip replacement</li> </ul>	415.11 (MCC) 415.19 (MCC) 453.40-453.42 (MCC) And one of the following procedure codes: 00.85-00.87, 81.51-81.52, or 81.54
Performance of wrong operation on correct patient	E876.5
Performance of operation (procedure) intended for another patient	E876.6
Performance of correct operation (procedure) on wrong body part/site	E876.7

### Billing/Coding/Physician Documentation Information

This policy may apply to the following codes. Inclusion of a code in this section does not guarantee that it will be reimbursed. They are listed in the Category Search on the Medical Policy search page.

*Applicable service codes: See table above*

BCBSNC may request medical records for determination of medical necessity. When medical records are requested, letters of support and/or explanation are often useful, but are not sufficient documentation unless all specific information needed to make a medical necessity determination is included.

### Scientific Background and Reference Sources

North Carolina General Statute §131E-95

Medical Errors: The Scope of the Problem. Fact sheet, Publication No. AHRQ 00-P037. Agency for Healthcare Research and Quality, Rockville, MD. <http://www.ahrq.gov/qual/errback.htm>

National Quality Forum. Serious Reportable Events in Healthcare 2006 Update: A Consensus Report. [www.qualityforum.org](http://www.qualityforum.org)

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Institute of Medicine. To Err is Human: Building a Safer Health system. November 1999. <http://www.iom.edu/Object.File/Master/4/117/ToErr-8pager.pdf>

Centers for Medicare and Medicaid Services (CMS). Decision memo for wrong surgery performed on a patient (CAG-00401N). January 15, 2009. <http://www.cms.hhs.gov>

Centers for Medicare and Medicaid Services (CMS). Hospital-Acquired Conditions (Present on Admission Indicator). Retrieved 8/2/10 from: <http://www.cms.gov/HospitalAcqCond/>

## Policy Implementation/Update Information

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- 4/27/09 New policy issued. BCBSNC has developed a set of principles for use by hospitals in determining preventable adverse events for which full or partial nonpayment is appropriate. The hospital should evaluate each occurrence of an adverse event to determine whether these principles apply to that particular occurrence.
- 6/22/10 Policy Number(s) removed (amw)
- 10/12/10 The section that was titled "Principles for Nonpayment for Serious Adverse Events" was deleted. The section titled, "Serious Reportable Events in Healthcare" was also deleted. Added section titled, "Hospital Acquired Conditions and Codes." Reviewed by Senior Medical Director 9/2010. Notification given 10/12/2010 for effective date 1/18/2011. (adn)

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Medical policy is not an authorization, certification, explanation of benefits or a contract. Benefits and eligibility are determined before medical guidelines and payment guidelines are applied. Benefits are determined by the group contract and subscriber certificate that is in effect at the time services are rendered. This document is solely provided for informational purposes only and is based on research of current medical literature and review of common medical practices in the treatment and diagnosis of disease. Medical practices and knowledge are constantly changing and BCBSNC reserves the right to review and revise its medical policies periodically.