INDIANA HEALTH COVERAGE PROGRAMS

PROVIDER BULLETIN

BT200928 AUGUST 25, 2009

To: **All Acute Care Hospitals**

Subject: **Present on Admission Indicator for Hospital Acquired Conditions**

Overview

Effective for inpatient and inpatient crossover claims with a 'From' date of service on or after October 1, 2009, the Indiana Health Coverage Programs (IHCP) will adopt a hospital acquired condition (HAC) policy for Medicaid claims using our existing version 18.0 of the All Patient Diagnosis-Related Grouping (AP DRG) grouper. Hospitals are required to report whether each diagnosis on a Medicaid claim was present on admission. Claims submitted without the required Present on Admission (POA) indicators will be denied. For claims containing secondary diagnoses that are included in the list of HACs (Table 2) and for which the condition was not present on admission, the HAC secondary diagnosis will not be used for AP DRG grouping. That is, the claim will be paid as though any secondary diagnoses included in Table 2 were not present on the claim.

Exempt Hospitals

POA indicator reporting is mandatory for all Medicaid claims involving inpatient admission to general acute care hospitals with a primary specialty of Acute Care – 010. However, the following types of hospitals are EXEMPT from the Medicaid HAC policy and POA indicator reporting:

- Critical access hospitals (CAHs)
- Long-term acute care hospitals (LTACs) (primary specialty 013)
- Inpatient psychiatric hospitals (primary specialty 011)
- Inpatient rehabilitation facilities (primary specialty 012)

Psychiatric or rehabilitation units of acute care hospitals, also known as a distinct part of an acute care hospital, enrolled with primary specialty 010 are required to submit the POA indicator on their claims.

The list of critical access hospitals was identified using information obtained from Medicare. Hospitals that are not sure of their CAH status should contact the EDS Provider Enrollment Department at 1-877-707-5750 for confirmation.

Present on Admission Indicator (POA)

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 Present on Admission. A POA indicator must be assigned to principal and secondary diagnoses (as defined in *Section II* of the *Official Guidelines for Coding and Reporting*). The Centers for Medicare & Medicaid Services (CMS) does not require a POA indicator for an external cause of injury code unless it is being reported as an "other diagnosis." Therefore, the IHCP does not require a POA indicator in the External Cause of Injury Field Locator 72. If a POA indicator is entered in the External Cause of Injury field, it will be ignored and not used for AP DRG grouping.

POA Indicators and Definitions

Table 1 – POA Indicators, Definitions, and Nonexempt HAC Diagnosis Codes

POA	Description	For Nonexempt HAC Diagnosis Codes
Y (for yes):	Present at the time of inpatient admission.	Diagnosis is used for AP DRG grouping.
N (for no):	Not present at the time of inpatient admission.	Diagnosis is suppressed from AP DRG Grouping – HAC Table 2.
U (for unknown):	The documentation is insufficient to determine if the condition was present at the time of inpatient admission.	Diagnosis is suppressed from AP DRG Grouping – HAC Table 2.
W (for clinically undetermined):	The provider is unable to clinically determine whether the condition was present at the time of inpatient admission.	Diagnosis is used for AP DRG grouping.
1 (one) (for unreported/not used):	Diagnosis is exempt from POA reporting. *Note: The* International Classification of Diseases, Ninth Edition, Clinical Modifications (ICD-9-CM) Official Guidelines for Coding and Reporting *includes a list of diagnosis codes that are exempt from POA reporting. Use POA indicator 1 only for codes on the list.*	POA indicator "1" should not be used unless diagnosis is exempt from HAC/POA reporting.

Hospital Acquired Condition List

The current list of hospital acquired conditions (HACs) was published by CMS in the August 19, 2008, *FFY 2009 Inpatient Prospective Payment System* final rule (*73 FR 48471*) and includes diagnoses listed in Table 2. The IHCP will continue to follow CMS' HAC determinations, including any future additions or changes to the current list of HAC conditions, as well as diagnosis codes that are exempt from HAC reporting. The list of exempt diagnosis codes can be found in the *ICD-9-CM Official*

Guidelines for Coding and Reporting, effective October 1, 2008, at http://www.cdc.gov/nchs/datawh/ftpserv/ftpicd9/icdguide08.pdf.

Table 2 shows the current list of HACs.

Table 2 – Final HAC List as Published in FFY 2009 Final Rule

Description	Applicable ICD-9 Codes CC – Complicating Condition MCC – Major Complicating Condition
Foreign Object Retained After Surgery	998.4 (CC) and 998.7 (CC)
Air Embolism	999.1 (MCC)
Blood Incompatability	999.6 (CC)
Pressure Ulcers Stages III and IV	707.23 (MCC) and 707.24 (MCC)
Falls and Trauma • Fractures • Dislocations • Intracranial Injuries • Crushing Injuries • Burns • Electric Shock	CC/MCC codes within these ranges: • 800 – 829 • 830 – 839 • 850 – 854 • 925 – 929 • 940 – 949 • 991 – 994
Catheter-Associated Urinary Tract Infection (UTI)	996.64 (CC), and excludes the following from acting as a CC/MCC: • CC – 112.2, 590.10, 590.3, 590.80, 590.81, 595.0, 597.0, 599.0 • MCC – 590.11, 590.2
Vascular Catheter-Associated Infection	999.31 (CC)
Manifestations of Poor Glycemic Control	MCC – • 250.10 – 250.13 • 250.20 – 250.23 • 249.10 – 249.11 • 249.20 – 249.21 CC – • 251.0
Surgical Site Infection, Mediastinitis After Coronary Artery Bypass Graft (CABG)	519.2 (MCC) and one of the following procedure codes: • 36.10 – 36.19

Description	Applicable ICD-9 Codes CC – Complicating Condition MCC – Major Complicating Condition
Surgical Site Infection Following Certain Orthopedic Procedures	999.67 (CC) or 998.59 (CC) and one of the following procedure codes: • 81.01 – 81.08 • 81.23 – 81.24 • 81.31 – 81.38 • 81.83 • 81.85
Surgical Site Infection Following Bariatric Surgery for Obesity	278.01 and 998.59 (CC) and one of the following procedure codes: • 44.38 • 44.39 • 44.95
Deep Vein Thrombosis (DVT)/ Pulmonary Embolism (PE) Following Certain Orthopedic Procedures	453.40 – 453.42 (MCC) or 415.11 (MCC) or 415.19 (MCC) and one of the following procedure codes: • 81.54 • 00.85 – 00.87 • 81.51 – 81.52
Note 1: If a claim contains a hospital acquired condition diagnosis with a POA indicator of "U"or "N," the HAC diagnosis will be suppressed when the claim processes through the DRG grouper. The OMPP will not pay the complicating condition/major complicating condition (CC/MCC) for HACs. **Note 2**: The POA indicator of "1" is only applicable to diagnoses exempt from POA reporting and should not be applied to any codes on the HAC list. Any claims using the POA indicator of "1" with a nonexempt diagnosis will deny, and providers will need to correct and resubmit the claim for reimbursement. **Note 3**: Claims containing HAC diagnoses with POA indicators of "Y" or "W" will process through the AP DRG grouper and process per normal inpatient policy. **Note 4**: Claims submitted by a nonexempt hospital that do not include a POA indicator for the principal and any secondary diagnoses will be denied. The provider will need to correct and resubmit the claim.	

FFY 2009 IPPS Final Rule:	*August 19, 2008 Federal Register, Vol. 73, No. 161 (73 FR 48471)*

Claim Billing Requirements

Paper Claim Forms

On the UB-04 paper claim form, the indicator should follow the diagnosis code utilizing the shaded area of the diagnosis code field in locator 67 and 67 A through Q.

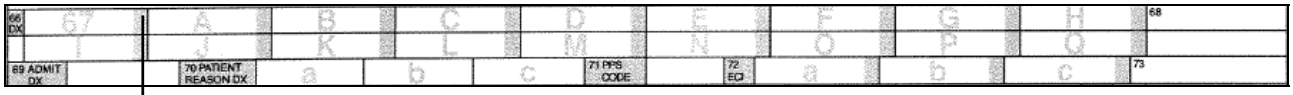

Figure 1 – UB-04 Paper Claim Form

Enter POA in the shaded areas

Web interChange

For billing on Web interChange, an additional field identified as POA affords placement of the indicator for each diagnosis.

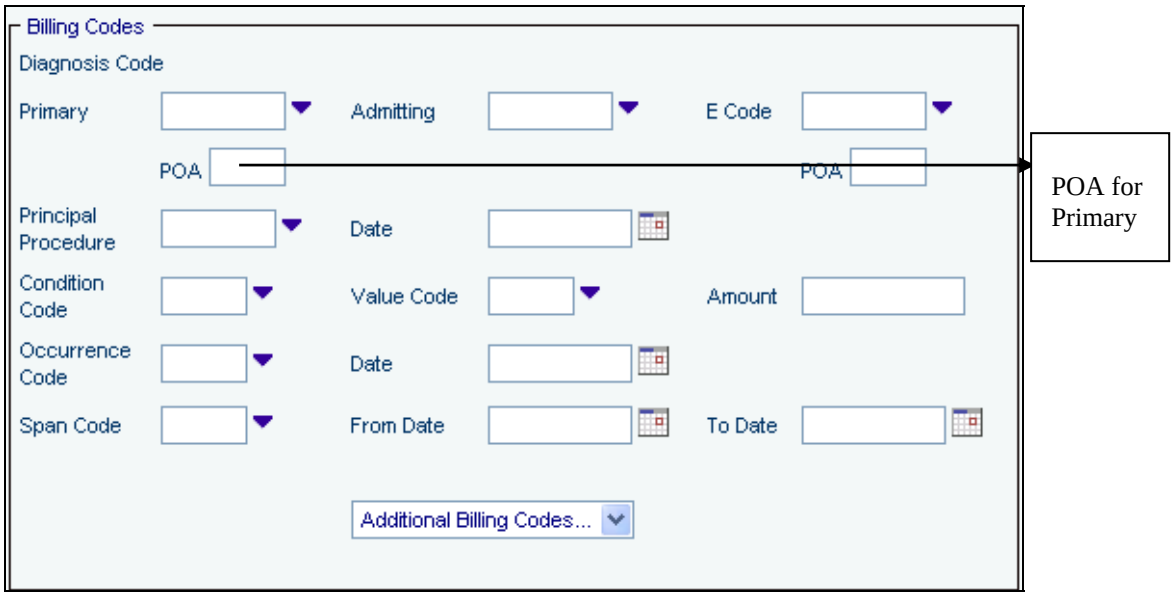

Figure 2 – Primary Web interChange Entry Window

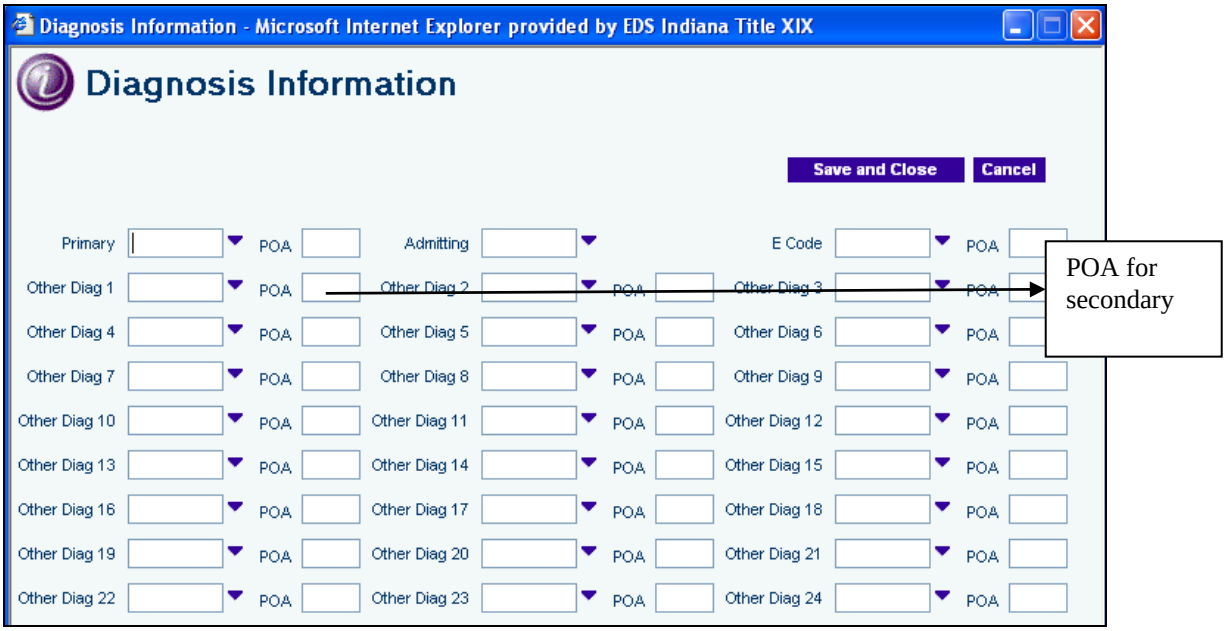

Figure 3 – Diagnosis Web interChange Entry Window Under Additional Billing Codes

Electronic Data Interchange (EDI)

For institutional claims, the hospital acquired condition (HAC) logic will read from the following location:

- 837 I: K3, 2300 Loop, DE K301

For more information, see the IHCP Upcoming Companion Guide page on the www.indianamedicaid.com Web site.

Common POA Explanations of Benefits (EOBs)

Table 3 – Common POA EOBs

EOB Code	EOB Description
4250	*The Principal Diagnosis POA Indicator is Missing or Invalid* – this edit will post to the claim when the provider has omitted the POA or submitted an invalid POA indicator.
4251-4275	*The Secondary Diagnosis POA is Missing or Invalid* – these EOBs will post to the claim for secondary diagnoses 1-24 if the POA is missing or invalid. The specific diagnosis field will be identified in the EOB message. Example: • 4251 – First Secondary Diagnosis POA Missing or Invalid • 4252 – Second Secondary Diagnosis POA Missing or Invalid

For More Information

Additional information on the Medicaid payment policy can be found in the *IHCP Provider Manual* at www.IndianaMedicaid.com.

Additional HAC information is available on the CMS Web site at http://www.cms.hhs.gov/HospitalAcqCond/.

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