Payment Policy | Payment Adjustments for Serious Reportable Events (also known as SRE or Never Events) and Hospital Acquired Conditions

EFFECTIVE DATE: 03|05|2015
POLICY LAST UPDATED: 05|19|2021

OVERVIEW

This is a post-payment administrative policy that outlines Blue Cross & Blue Shield of Rhode Island (BCBSRI) procedure for handling services that occur as a result of an error, product or device malfunction, patient protection events, or the result of a hospital-acquired condition.

MEDICAL CRITERIA

Not applicable

PRIOR AUTHORIZATION

Not applicable

POLICY STATEMENT

Type of Event

1. **Serious surgical or invasive events:** No payment is made for services rendered in error. Payment is denied for the erroneously performed service and the treatment of complications, if any, that are related to it when performed by the same provider/system. This includes, but is not limited to, the following events:
    - Wrong site surgery
    - Wrong procedure performed (not limited to surgery, e.g., a different diagnostic test is performed, or medication administered other than the one ordered)
    - Wrong patient
    - Unintentional foreign object retained after surgery
    - Intra operative or post-operative death of otherwise healthy patient
2. **Product or device events:** No payment is made for services or complications where equipment malfunction caused the procedure to be terminated or the patient to be injured. The treatment of any injury by the same provider is also ineligible for payment.
    - Patient death or serious injury due to use of contaminated drugs, devices, or biologicals
    - Patient death or serious injury associated with the use or function of a device in patient care, in which the device is used or functions other than as intended,
    - Patient death or serious injury associated with intravascular air embolism that occurs while being cared for in a healthcare setting.
3. **Patient protection events**
    - Discharge or release of a patient/resident of any age, who is unable to make decisions, to other than an authorized person
    - Patient death or serious injury associated with patient elopement (disappearance)
    - Patient suicide, attempted suicide, or self-harm that results in serious injury, while being cared for in a healthcare setting
4. **Care Management events**
    - Patient death or serious injury associated with a medication error (e.g., errors involving the wrong drug, wrong dose, wrong patient, wrong time, wrong rate, wrong preparation, or wrong route of administration) (updated)

- Patient death or serious injury associated with unsafe administration of blood products
- Maternal death or serious injury associated with labor or delivery in a low-risk pregnancy while being cared for in a healthcare setting (updated)
- Death or serious injury of a neonate associated with labor or delivery in a low-risk pregnancy
- Patient death or serious injury associated with a fall while being cared for in a healthcare setting
- Any Stage 3, Stage 4, and unstageable pressure ulcers acquired after admission/presentation to a healthcare setting
- Artificial insemination with the wrong donor sperm or wrong egg
- Patient death or serious injury resulting from the irretrievable loss of an irreplaceable biological specimen
- Patient death or serious injury resulting from failure to follow up or communicate laboratory, pathology, or radiology test results

5. **Environmental events**
    - Patient or staff death or serious injury associated with an electric shock in the course of a patient care process in a healthcare setting
    - Any incident in which systems designated for oxygen or other gas to be delivered to a patient contains no gas, the wrong gas, or are contaminated by toxic substances (updated)
    - Patient or staff death or serious injury associated with a burn incurred from any source in the course of a patient care process in a healthcare setting (updated)
    - Patient death or serious injury associated with the use of physical restraints or bedrails while being cared for in a healthcare setting (updated)
6. **Radiological events**
    - Death or serious injury of a patient or staff associated with the introduction of a metallic object into the MRI area
7. **Potential criminal events**
    - Any instance of care ordered by or provided by someone impersonating a physician, nurse, pharmacist, or other licensed healthcare provider
    - Abduction of a patient/resident of any age
    - Sexual abuse/assault on a patient or staff member within or on the grounds of a healthcare setting
    - Death or serious injury of a patient or staff member resulting from a physical assault (i.e., battery) that occurs within or on the grounds of a healthcare setting

8. Hospital-Acquired Conditions (HAC): Diagnosis- Related Group-DRG-based payment methods will follow the most current Medicare payment rules regarding the definitions of HACs and payment adjustments based upon whether the condition and associated conditions were present on admission (POA). POA indicator modifiers shall be provided on facility claims. For patients who are admitted to observation status and converted to inpatient status, the complication shall be considered not POA if it arose during the observation period. The complication may or may not be related to a failure to meet usual standards of care. The most current information on HACs can be found on the CMS website. See reference section.

According to the guidelines any claim that has an event listed above, may result in no payment or a payment reduction.

Billing Requirements

Facilities should submit claims following current guidelines. Present on admission information for primary and secondary diagnoses should be reported accurately by using the Present on Admission (POA) indicator.

Facilities should continue to be familiar with current CMS list of Hospital-Acquired Conditions (HAC) and Serious Reportable Events (SRE).

COVERAGE
Not applicable

BACKGROUND
Payment policy is distinct from requirements of providers to report certain events to patients, accreditation agencies, regulators and/or payers and to participate in quality assurance review. It is also distinct from requirements BCBSRI may have to report events to the Centers for Medicare and Medicaid Services, although in both cases the conditions or events that prompt reporting or payment adjustment may be very similar or identical.

These events may or may not result in BCBSRI performing quality of care or other review. Such review is distinct and is not a review for payment. In most cases, chart review for these adjustments is limited to verification of the event or DRG validation.

CODING
For discharges on or after October 1, 2009, a non-covered type of bill (110) must have one of the following diagnosis codes reported in the diagnosis position 2-9.

ICD-10 CM
Y65.51 Performance of wrong procedure on correct patient
Y65.52 Performance of procedure on wrong patient
Y65.53 Performance of correct procedure on wrong side of body parts

Outpatient, Ambulatory Surgical Centers and Practitioner Claims
Providers are required to append one of the following HCPCS modifiers to all lines related to the error.
PA: Surgery wrong body part
PB: Surgery wrong patient
PC: Wrong surgery on patient

RELATED POLICIES
Hospital Readmissions

PUBLISHED
Provider Update, July 2021
Provider Update, March 2018
Provider Update, March 2017
Provider Update July 2015
Provider Update November 2012

REFERENCES

1. http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalAcqCond/Hospital-Acquired_Conditions.html
2. https://www.qualityforum.org/Topics/SREs/List_of_SREs.aspx

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