ADMINISTRATIVE POLICY STATEMENT
Georgia Medicaid

Policy Name & Number	Date Effective
Sentinel Events and Provider Preventable Conditions-GA MCD-AD-1163	05/01/2024
Policy Type	
ADMINISTRATIVE	

Administrative Policy Statement prepared by CareSource and its affiliates are derived from literature based on and supported by clinical guidelines, nationally recognized utilization and technology assessment guidelines, other medical management industry standards, and published MCO clinical policy guidelines. Medically necessary services include, but are not limited to, those health care services or supplies that are proper and necessary for the diagnosis or treatment of disease, illness, or injury and without which the patient can be expected to suffer prolonged, increased or new morbidity, impairment of function, dysfunction of a body organ or part, or significant pain and discomfort. These services meet the standards of good medical practice in the local area, are the lowest cost alternative, and are not provided mainly for the convenience of the member or provider. Medically necessary services also include those services defined in any Evidence of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other policies and procedures.

Administrative Policy Statements prepared by CareSource and its affiliates do not ensure an authorization or payment of services. Please refer to the plan contract (often referred to as the Evidence of Coverage) for the service(s) referenced in the Administrative Policy Statement. If there is a conflict between the Administrative Policy Statement and the plan contract (i.e., Evidence of Coverage), then the plan contract (i.e., Evidence of Coverage) will be the controlling document used to make the determination.

According to the rules of Mental Health Parity Addiction Equity Act (MHPAEA), coverage for the diagnosis and treatment of a behavioral health disorder will not be subject to any limitations that are less favorable than the limitations that apply to medical conditions as covered under this policy.

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A. Subject

Sentinel Events (SE) and Provider Preventable Conditions (PPC)

B. Background

Medical errors can cause harmful or disastrous results for patients and can be related to negligence or professional misconduct, but most are preventable. In 1996, The Joint Commission (TJC) introduced a sentinel event (SE) policy to improve patient care and prevent safety events. The National Quality Forum followed by developing an initial standardized list of Serious Reportable Events (SREs). That list has been revised twice and now consists of 29 events grouped into 7 categories.

In 2011, Centers for Medicare and Medicaid Services (CMS) published a final rule implementing the requirements of Section 2702 of the Patient Protection and Affordable Care Act outlining Medicaid regulations that prohibit federal payments to States under section 1903 of the Social Security Act for any amounts expended for providing medical assistance for provider preventable conditions (PPCs) specified in the regulation. It also authorized States to identify other provider-preventable conditions for which Medicaid payments will be prohibited. There are two types of PPCs: health care-acquired conditions (HCAC), reported when occurring in inpatient acute care hospitals, and other provider-preventable conditions (OPPC), reported for any health care setting.

C. Definitions

- **American Society of Anesthesiologists (ASA) 1 Status** – A healthy, normal patient (e.g., nonsmoking, no acute or chronic illness).
- **National Quality Forum (NQF)** – A not for profit, nonpartisan organization working to catalyze improvements in healthcare. NQF-endorsed measures are evidence-based, valid, and in tandem with the delivery of care and payment reform, considered the gold-standard for healthcare quality.
- **Provider Preventable Condition (PPC)** – A condition with a negative consequence for the member occurring in any healthcare setting found to be reasonably preventable by the provider through the application of procedures supported by evidence-based medical guidelines. There are two types:
  - **Healthcare Acquired Condition (HCAC)** – Medical conditions or complications developed by patients during a hospital stay not present on admission. HCACs apply to Medicaid inpatient hospital settings, are listed as “Category 1,” and include the full list of Medicare’s inpatient “hospital acquired conditions (HAC).”
  - **Other Provider Preventable Conditions (OPPC)** – C**o**nditions occurring in any health care setting that include, at a minimum, wrong surgical or other invasive procedure performed on a patient, surgical or other invasive procedure performed on the wrong body part, and/or surgical or other invasive procedure performed on the wrong patient pursuant to 42 CFR 447.26(b), referred to as “Category 2.”

- **Sentinel Event (SE)** – A patient safety event, not primarily related to the natural course of a patient's illness or underlying condition, resulting in death or severe or permanent harm, regardless of duration or severity of harm.
  - **Severe Harm** – An event or condition resulting in life-threatening bodily injury, including pain or disfigurement, that interferes with or results in loss of functional ability or quality of life requiring continuous physiological monitoring or a surgery, invasive procedure, or treatment to resolve the condition.
  - **Permanent Harm** – An event or condition resulting in any level of harm that permanently alters and/or affects an individual's baseline.
- **Serious Reportable Event (SRE)** – Serious and costly errors in health care services that are usually preventable and harmful clinical events to patients.
- **The Joint Commission (TJC)** – A private, nonprofit organization whose mission is to continuously improve the safety and quality of care provided to the public through the provision of health accreditation and related services that support performance improvement in health care organizations.

D. Policy

I. Sentinel Events (SE) and/or Serious Reportable Events (SRE)
CareSource will not reimburse for services associated with SE/SREs. Notwithstanding any provision in the agreement between providers and CareSource to the contrary and in accordance with CMS guidelines, when any SE/SRE occurs with respect to a member, the provider will not bill, collect from, or accept any payment from CareSource or the member for such events. If the provider receives any payment from CareSource or the member, the payment will be refunded within 10 business days of becoming aware of receipt.

Additionally, CareSource will not reimburse the same wholly owned healthcare system inpatient facility (IPF) for treatment of an SE or SRE that occurred within said system. To the extent reasonable, the provider will cooperate with CareSource in any initiative designed to help analyze or reduce such events. Services and procedures associated with SEs and/or SREs include, but are not limited to:

A. Surgical or Invasive Procedure Events
   1. surgical procedure or surgery performed on the wrong body part
   2. surgery performed on the wrong patient
   3. wrong surgical procedure performed on a patient
   4. intraoperative or immediately post- operative death in an ASA class I patient
   5. unintended retention of a foreign object

B. Product or Device Events
   1. patient death or serious disability associated with the use of contaminated drugs, devices, or biologics provided by the healthcare facility
   2. patient death or serious disability associated with the use/function of a device in patient care, where the device is used or functions other than as intended
   3. patient death or serious injury associated with intravascular air embolism that occurs while being cared for in a healthcare setting

C. Patient Protection Events
   1. patient suicide, or attempted suicide resulting in serious disability, while being cared for in a healthcare facility
   2. discharge or release of a patient/resident of any age, who is unable to make decisions
   3. patient death or serious injury associated with patient elopement

D. Care Management Events
   1. patient death or serious injury associated with a medication error
   2. patient death or serious injury associated with unsafe administration of blood products
   3. maternal death or serious injury associated with labor or delivery in a low-risk pregnancy while being cared for in a healthcare setting
   4. death or serious injury of a neonate associated with labor or delivery in a low-risk pregnancy
   5. patient death or serious injury associated with a fall while being cared for in a healthcare setting
   6. any Stage 3, 4, or unstageable pressure ulcers acquired after admission or presentation to a healthcare setting
   7. artificial insemination with the wrong donor sperm or wrong egg
   8. patient death or serious injury resulting from the irretrievable loss of an irreplaceable biological specimen
   9. patient death or serious injury resulting from failure to follow up or communicate laboratory, pathology or radiology test results

E. Environmental Events
   1. patient or staff death or serious injury associated with an electric shock in the course of a patient care process in a healthcare setting
   2. 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
   3. patient or staff death or serious injury associated with a burn incurred from any source during a patient care process in a healthcare setting
   4. patient death or serious injury associated with the use of physical restraints or bedrails while being cared for in a healthcare setting

F. Radiologic Events
   1. death or serious injury of a patient or staff associated with the introduction of a metallic object into the MRI area

G. Potential Criminal Events
   1. any instance of care ordered by or provided by someone impersonating a physician, nurse, pharmacist or other licensed healthcare provider
   2. abduction of a patient/resident of any age
   3. sexual abuse or assault on a patient or staff member within or on the grounds of a healthcare setting
   4. death or serious injury of a patient or staff member resulting from a physical assault that occurs within or on the grounds of a healthcare setting

II. Provider Preventable Conditions (PPC)
CareSource will not reimburse providers for PPCs, consisting of category 1 healthcare acquired conditions (HCACs) and category 2 other provider preventable conditions (OPPs), in accordance with CMS guidelines, including the same wholly owned healthcare system inpatient facility (IPF) for treatment of a PPC that occurred within that system. If CareSource can reasonably identify and isolate the portion of the claim directly related to the treatment of the HCAC, then CareSource will reduce reimbursement of the claim by the specific amount related to the PPC. The level of reduction will follow CMS's most recently published guidelines. The minimum set of conditions, including infections and events, that states must identify for non-payment include the following:

A. HCACs, including, but not limited to, the following:
   1. catheter-associated urinary tract infections (CAUTI)
   2. stage 3 or 4 pressure ulcers
   3. surgical site infections, including
      a. orthopedic procedures, including spine, neck, shoulder and elbow
      b. mediastinitis, following coronary artery bypass graft
      c. bariatric surgery, including laparoscopic gastric bypass, gastroenterostomy, and laparoscopic gastric restrictive surgery
      d. cardiac implantable electronic device (CIED)
   4. air embolism
   5. vascular catheter-associated infection
   6. blood incompatibility
   7. manifestations of poor glycemic control, including diabetic ketoacidosis, nonketotic hyperosmolar and hypoglycemic coma, secondary diabetes with ketoacidosis or hyperosmolarity
   8. falls and trauma, including fractures, dislocations, intracranial and crushing injuries, burns and other injuries
   9. deep vein thrombosis (DVT)/ pulmonary embolism (PE) following certain orthopedic procedures, including total knee or hip replacement
   10. foreign object retained after surgery
   11. iatrogenic pneumothorax with venous catheterization

B. OPPCs, including, but not limited to, the following:
   1. wrong surgical or other invasive procedure performed on a member
   2. surgical or other invasive procedure performed on the wrong body part
   3. surgical or other invasive procedure performed on the wrong patient
   4. effective November 1, 2010 and in accordance with Section 5001(c) of Deficit Reduction Act (2005), CareSource will not reimburse hospitals for Present on Admission (PoA)/HAC events identified as non-payable by Medicare on FFS Medicaid and crossover claims as listed in D. I. and D. II. A. of this policy

III. Reporting

A. Sentinel Events (SE) and Serious Reportable Events (SRE)
   The Joint Commission (TJC) collects and analyzes data from SEs reported by organizations. The de-identified data provides an overview for general

awareness and dissemination of error prevention strategies to all hospitals. TJC's website provides resources on SEs, statistics, webinars, and quick safety tips. Advantages of reporting SEs include increased awareness of potential events, root causes, and strategies for prevention, consultation with Joint Commission staff for systematic review and root cause analysis of events, and reinforcement of a culture of safety to the public regarding facilities.

B. Provider Preventable Conditions

Centers for Medicare and Medicaid Services (CMS) publish provider reporting requirements regarding HCACs and PoA indicators on the CMS website. CareSource complies with all federal and state regulations regarding reporting of and payment to providers and has identified a method for identifying reportable incidents from claims reporting. CareSource will not reimburse inpatient facilities, if applicable, nor any enrolled Medicaid providers for PPCs identified through the claims adjudication and/or medical records review process in accordance with CMS directives. Participating hospitals are required to submit UB-04 claims with the proper PoA indicators on all diagnoses. Inpatient claims submitted for payment that do not contain the proper reporting of POA indicators will be denied. For claims submitted with HCAC diagnoses but without supporting medical records attachments, the HCAC diagnoses will be disallowed, and the claim may be reassigned to a lower diagnostic-related group (DRG) for reimbursement.

Claims dispute and appeal processes are in place for providers who disagree with nonpayment of claims and can be found online at www.caresource.com, in the provider portal, and/or can be faxed or mailed directly to CareSource's Provider Appeals Department.

E. Conditions of Coverage

NA

F. Related Policies/Rules

NA

G. Review/Revision History

	Dates	Action
Date Issued		New Policy
Date Revised	10/12/2022 11/29/2023	Updated background, definitions, reporting sections. Annual review. Added 'wholly owned IPF' language. Approved at Committee.
Date Effective	05/01/2024	
Date Archived		

H. References

1. General Requirements for All Contracts and Subcontracts, 42 C.F.R. § 434.6 (2023).

The ADMINISTRATIVE Policy Statement detailed above has received due consideration as defined in the ADMINISTRATIVE Policy Statement Policy and is approved.

2. Hospital-acquired conditions. Centers for Medicare & Medicaid Services. Updated September 6, 2023. Accessed October 13, 2023. www.cms.gov
3. List of SREs. National Quality Forum. Accessed October 13, 2023. www.qualityforum.org
4. Managed Care, 42 C.F.R. § 438 (2023).
5. Patra KP, De Jesus O. Sentinel Event. *StatPearls* [Internet]. StatPearls Publishing; 2023. Accessed October 13, 2023. www.ncbi.nlm.nih.gov
6. *Policies and Procedures for Hospital Services, Part II*. Georgia Department of Community Health. Updated July 1, 2023. Accessed October 13, 2023. www.mmis.georgia.gov
7. *Policies and Procedures for Physician Services, Part II.* Georgia Department of Community Health. Updated July 1, 2023. Accessed October 13, 2023. www.mmis.georgia.gov
8. Prohibition on Payment for Provider-Preventable Conditions, 42 C.F.R. § 447.26 (2023).

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