



Policy: MA.1005  
Title: **Hospital Acquired Conditions – Reimbursement**

Department: Claims Administration  
Section: Not Applicable

CEO Approval: /s/ Michael Hunn 05/09/2024

Effective Date: 07/01/2013

Revised Date: 12/31/2023

Applicable to: ☐ Medi-Cal  
☒ OneCare  
☐ PACE  
☐ Administrative

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## I. PURPOSE

To outline a reimbursement policy for Hospital Acquired Conditions (HACs), as outlined in Centers for Medicare & Medicaid Services (CMS) regulations.

## II. POLICY

- A. OneCare shall not provide reimbursements for HACs, as defined in Section 5001(c) of Deficit Reduction Act of 2005 and in accordance with regulations adopted by CMS.

## III. PROCEDURE

- A. Section 5001(c) of Deficit Reduction Act of 2005 defines HACs as those conditions that are:

1. High cost or high volume or both;
2. Result in the assignment of a case to a diagnosis-related group (DRG) that has a higher payment when present as a secondary diagnosis; and
3. Could reasonably have been prevented through the application of evidence-based guidelines.

- B. On July 31, 2008, in the Inpatient Prospective Payment System (IPPS) FY 2009 Final Rule, CMS selected categories of conditions for a HAC payment provision. For discharges occurring on or after October 1, 2008, hospitals shall no longer receive additional payment for cases in which one (1) of the selected conditions was not present on admission. That is, the case would be paid as though the secondary diagnosis were not present.

- C. These categories of HACs listed below include HACs from the IPPS FY 2024 Final Rule for which OneCare shall not provide reimbursement:

1. Foreign Object Retained After Surgery;
2. Air Embolism;
3. Blood Incompatibility;

4. Pressure Ulcers Stage III and IV;
5. Falls and Trauma;
  - a. Fractures;
  - b. Dislocations;
  - c. Intracranial Injuries;
  - d. Crushing Injuries;
  - e. Burn;
  - f. Other Injuries;
6. Manifestations of Poor Glycemic Control;
  - a. Diabetic Ketoacidosis;
  - b. Nonketotic Hyperosmolar Coma;
  - c. Hypoglycemic Coma;
  - d. Secondary Diabetes with Ketoacidosis;
  - e. Secondary Diabetes with Hyperosmolality;
7. Catheter-Associated Urinary Tract Infection (UTI);
8. Vascular Catheter-Associated Infection;
9. Surgical Site Infection, Mediastinitis, Following Coronary Artery Bypass Graft (CABG);
10. Surgical Site Infection Following Bariatric Surgery for Obesity;
  - a. Laparoscopic Gastric Bypass;
  - b. Gastroenterostomy;
  - c. Laparoscopic Gastric Restrictive Surgery;
11. Surgical Site Infection Following Certain Orthopedic Procedures;
  - a. Spine;
  - b. Neck;
  - c. Shoulder;
  - d. Elbow;
12. Surgical Site Infection Following Cardiac Implantable Electronic Device (CIED);

13. Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) Following Certain Orthopedic Procedures:

- a. Total Knee Replacement;
- b. Hip Replacement;

14. Iatrogenic Pneumothorax with Venous Catheterization.

**IV. ATTACHMENT(S)**

A. Fiscal Year 2022 Final HAC List ([https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalAcqCond/Downloads/FY\\_2013\\_Final\\_HACsCodeList.pdf](https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalAcqCond/Downloads/FY_2013_Final_HACsCodeList.pdf))

**V. REFERENCE(S)**

- A. Section 5001(c) of Deficit Reduction Act of 2005
- B. Inpatient Prospective Payment System (IPPS) FY 2024 Final Rule

**VI. REGULATORY AGENCY APPROVAL(S)**

None to Date

**VII. BOARD ACTION(S)**

None to Date

**VIII. REVISION HISTORY**

Action	Date	Policy	Policy Title	Program(s)
Effective	07/01/2013	MA.1005	Hospital Acquired Conditions – Reimbursement	OneCare
Revised	02/01/2021	MA.1005	Hospital Acquired Conditions – Reimbursement	OneCare OneCare Connect
Revised	04/01/2022	MA.1005	Hospital Acquired Conditions – Reimbursement	OneCare OneCare Connect
Revised	04/01/2023	MA.1005	Hospital Acquired Conditions – Reimbursement	OneCare OneCare Connect
Revised	12/31/2023	MA.1005	Hospital Acquired Conditions – Reimbursement	OneCare

## IX. GLOSSARY

Term	Definition
Hospital Acquired Conditions (HAC)	<p>As defined on Section 5001(c) of Deficit Reduction Act of 2005 defines Hospital Acquired Conditions (HACs) as those conditions that are:</p> <ol style="list-style-type: none"><li>1. High cost or high volume or both;</li><li>2. Result in the assignment of a case to a diagnosis-related group (DRG) that has a higher payment when present as a secondary diagnosis; and</li><li>3. Could reasonably have been prevented through the application of evidence-based guidelines.</li></ol>
Provider Preventable Conditions	<p>A condition that meets the definition of a “health care-acquired condition” or an “other provider-preventable condition,” as defined in 42 CFR 447.26(b).</p>