



Policy: GG.1655  
Title: **Reporting Provider Preventable Conditions (PPC)**  
Department: Medical Management  
Section: Quality Improvement

CEO Approval: /s/ Michael Hunn 09/24/2024

Effective Date: 05/01/2017

Revised Date: 09/01/2024

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

## I. PURPOSE

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This policy describes the method by which CalOptima Health reports Provider Preventable Conditions (PPC) to the Department of Health Care Services (DHCS).

## II. POLICY

- A. CalOptima Health shall report the following PPC events to DHCS in accordance with Title 42, Code of Federal Regulations (C.F.R), Section 438.3(g) and DHCS guidance, including All Plan Letter (APL) 17-009: Reporting Requirements Related to Provider Preventable Conditions and:
1. Category 1 – HCACs (For Any Inpatient Hospital Settings in Medicaid):
    - a. Any unintended foreign object retained after surgery;
    - b. A clinically significant air embolism;
    - c. An incidence of blood incompatibility;
    - d. A stage III or stage IV pressure ulcer that developed during the patient’s stay in the hospital;
    - e. A significant fall or trauma that resulted in fracture, dislocation, intracranial injury, crushing injury, burn, or electric shock;
    - f. A catheter-associated urinary tract infection;
    - g. Vascular catheter-associated infection;
    - h. Any of the following manifestations of poor glycemic control: diabetic ketoacidosis; nonketotic hyperosmolar coma; hypoglycemic coma; secondary diabetes with ketoacidosis; or secondary diabetes with hyperosmolarity;
    - i. A surgical site infection following:
      - i. Coronary artery bypass graft (CABG) – mediastinitis

- ii. Bariatric surgery; including laparoscopic gastric bypass, gastroenterostomy, laparoscopic gastric restrictive surgery
    - iii. Orthopedic procedures; including spine, neck, shoulder, elbow
    - iv. Cardiac implantable electronic device procedures
  - j. Deep vein thrombosis/pulmonary embolism following total knee replacement or hip replacement with pediatric and obstetric exceptions;
  - k. Iatrogenic pneumothorax with venous catheterization; and
  - l. A vascular catheter-associated infection.
2. Category 2 – Other Provider Preventable Conditions (For Any Health Care Setting):
- a. Wrong surgical or other invasive procedure performed on a patient;
  - b. Surgical or other invasive procedure performed on the wrong body part; and
  - c. Surgical or other invasive procedure performed on the wrong patient.
- B. CalOptima Health shall screen claims and Encounter data received from its Health Networks and Network Providers for the presence of PPCs.
- C. PPC reports submitted by CalOptima Health shall include PPCs identified through a review of Encounter and claims data submitted by Health Networks or Network Providers, as well as PPCs reported directly to CalOptima Health when the Health Network or Network Provider reports via the DHCS portal.
- 1. Health Networks and Network Providers shall submit PPCs to DHCS in accordance with California Welfare & Institutions Code, Section 14131.11(f) and in a manner specified by DHCS.
  - 2. Health Networks and Network Providers shall submit PPCs to CalOptima Health in accordance with Section III.B of this Policy.
- D. Health Networks and Network Providers shall report all PPC events, regardless of ineligibility for reimbursement.
- E. CalOptima Health shall issue a special notice informing Health Networks and Network Providers of the requirement to submit PPCs utilizing DHCS' secure on-line reporting portal.
- F. Health Networks and Network Providers shall have policies and procedures, in compliance with State and Federal guidance for PPCs, which are consistent with DHCS All Plan Letter (APL) 17-009: Reporting Requirements Related to Provider Preventable Conditions and obligations under CalOptima Health's Health Network Service Agreement.
- G. CalOptima Health shall not issue payment nor reimburse a Network Provider for the treatment of PPCs, except when the PPC existed prior to the initiation of treatment for the Member by the Network Provider. Overpayment recovery shall be in accordance with CalOptima Health Policies FF.2001: Claims Processing for Covered Services for which CalOptima Health is Financially Responsible.

### III. PROCEDURE

- A. The CalOptima Health Quality Improvement (QI) Department shall review claims and Encounter data submitted by Health Networks and Network Providers for potential PPC events, on a monthly basis.
1. CalOptima Health shall submit the PPC via the DHCS PPC online portal for any PPC event identified through the screening process on a monthly basis.
  2. CalOptima Health shall notify Health Networks and Network Providers of any PPC events identified through the screening process.
- B. Network Providers shall report PPC events directly to DHCS in a manner specified by DHCS and shall send secure copies of PPC submission to CalOptima Health's Quality Improvement (QI) Department via e-mail to [qualityofcare@caloptima.org](mailto:qualityofcare@caloptima.org) or fax to 657-900-1615.
- C. CalOptima Health shall retain copies of all PPCs submitted to DHCS, in accordance with CalOptima Health Policy HH.2022: Record Retention and Access.
- D. CalOptima Health shall open a Potential Quality Issue (PQI) investigation for any PPCs identified, in accordance with CalOptima Health Policy GG.1611: Potential Quality Issue Review Process.

### IV. ATTACHMENTS

Not Applicable

### V. REFERENCES

- A. CalOptima Health Contract with the Department of Health Care Services (DHCS) for Medi-Cal
- B. CalOptima Health, Health Network Service Agreement
- C. CalOptima Health Policy FF.2001: Claims Processing for Covered Services for which CalOptima Health is Financially Responsible
- D. CalOptima Health Policy GG.1611: Potential Quality Issue Review Process
- E. CalOptima Health Policy HH.2022: Record Retention and Access
- F. Department of Health Care Services (DHCS) All Plan Letter 17-009: Reporting Requirements Related to Provider Preventable Conditions (Supersedes APL 16-011)
- G. Title 42, Code of Federal Regulations (C.F.R), §§434.6(a)(12), 438.8(g), and 447.26
- H. Welfare & Institutions Code, §14131.11

### VI. REGULATORY AGENCY APPROVALS

Date	Regulatory Agency	Response
06/09/2017	Department of Health Care Services (DHCS)	Approved as Submitted
10/26/2021	Department of Health Care Services (DHCS)	Approved as Submitted
11/09/2022	Department of Health Care Services (DHCS)	File and Use

### VII. BOARD ACTIONS

Date	Meeting
04/07/2022	Regular Meeting of the CalOptima Board of Directors

## VIII. REVISION HISTORY

Action	Date	Policy	Policy Title	Program(s)
Effective	05/01/2017	GG.1655	Reporting Provider Preventable Conditions (PPC)	Medi-Cal
Revised	04/07/2022	GG.1655	Reporting Provider Preventable Conditions (PPC)	Medi-Cal OneCare Connect
Revised	12/31/2022	GG.1655	Reporting Provider Preventable Conditions (PPC)	Medi-Cal OneCare
Revised	10/01/2023	GG.1655	Reporting Provider Preventable Conditions (PPC)	Medi-Cal OneCare
Revised	09/01/2024	GG.1655	Reporting Provider Preventable Conditions (PPC)	Medi-Cal OneCare

## IX. GLOSSARY

Term	Definition
Encounter	Any unit of Covered Services provided to a Member by a Health Network regardless of Health Network reimbursement methodology. Such Covered Services include any service provided to a Member regardless of the service location or provider, including out-of-network services and sub-capitated and delegated Covered Services. Encounter data submitted to CalOptima Health should not include denied, adjusted, or duplicate claims.
Health Care Acquired Conditions (HCACs)	<p>As defined in Title 42 of the Code of Federal Regulations (C.F.R), Section 447.26(b), any one of the following conditions, occurring in any inpatient hospital setting, identified as a Hospital Acquired Condition (HAC) by the Secretary under section 1886(d)(4)(D)(iv) of the Social Security Act for purposes of the Medicare program identified in the State plan as described in section 1886(d)(4)(D)(ii) and (iv) of the Social Security Act.</p> <ol style="list-style-type: none"> <li>1. Any unintended foreign object retained after surgery</li> <li>2. A clinically significant air embolism</li> <li>3. An incidence of blood incompatibility</li> <li>4. A stage III or stage IV pressure ulcer that developed during the patient's stay in the hospital</li> <li>5. A significant fall or trauma that resulted in fracture, dislocation, intracranial injury, crushing injury, burn, or electric shock</li> <li>6. A catheter-associated urinary tract infection</li> <li>7. Any of the following manifestations of poor glycemic control: diabetic ketoacidosis; nonketotic hyperosmolar coma; hypoglycemic coma; secondary diabetes with ketoacidosis; or secondary diabetes with hyperosmolarity</li> <li>8. A surgical site infection following: <ol style="list-style-type: none"> <li>a. Coronary artery bypass graft (CABG) - mediastinitis</li> <li>b. Bariatric surgery; including laparoscopic gastric bypass, gastroenterostomy, laparoscopic gastric restrictive surgery</li> <li>c. Orthopedic procedures; including spine, neck, shoulder, elbow</li> <li>d. Cardiac implantable electronic device procedures</li> </ol> </li> <li>9. Deep vein thrombosis/pulmonary embolism following total knee replacement or hip replacement with pediatric and obstetric exceptions</li> <li>10. Latrogenic pneumothorax with venous catheterization</li> <li>11. A vascular catheter-associated infection</li> </ol>
Health Network	A Physician Hospital Consortium (PHC), physician group under a shared risk contract, or health care service plan, such as a Health Maintenance Organization (HMO), that contracts with CalOptima Health to provide Covered Services to Members assigned to that health network.
Member	A beneficiary enrolled in a CalOptima Health Program.
Network Provider	For purposes of this Policy, a Provider that subcontracts with CalOptima Health Direct or a Health Network for the delivery of the Medi-Cal Covered Services to Members.

<b>Term</b>	<b>Definition</b>
Other Provider Preventable Conditions (OPPCs)	<p>As defined in 42 CFR 447.26, a condition occurring in any health care setting that meets the following criteria:</p> <ol style="list-style-type: none"> <li>1. Is identified by the State Plan;</li> <li>2. Is reasonably preventable through the application of procedures supported by evidence-based guidelines;</li> <li>3. Has negative consequences for the Member;</li> <li>4. Is auditable; and</li> <li>5. Includes, at a minimum, the following procedures: <ol style="list-style-type: none"> <li>a. Wrong surgical or other invasive procedure performed on a patient.</li> <li>b. Surgical or other invasive procedure performed on the wrong body part.</li> <li>c. Surgical or other invasive procedure performed on the wrong patient.</li> </ol> </li> </ol>
Potential Quality Issue (PQI)	For the purposes of this policy, means any issue whereby a member's quality of care may have been compromised. PQIs require further investigation to determine whether an actual quality issue or opportunity for improvement exists
Provider	<p><u>Medi-Cal</u>: Any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is licensed or certified to do so.</p> <p><u>OneCare</u>: Any Medicare provider (e.g., hospital, skilled nursing facility, home health agency, outpatient physical therapy, comprehensive outpatient rehabilitation facility, end-stage renal disease facility, hospice, physician, non-physician provider, laboratory, supplier) providing Covered Services under Medicare Part B. Any organization, institution, or individual that provides Covered Services to Medicare members. Physicians, ambulatory surgical centers, and outpatient clinics are some of the providers of Covered Services under Medicare Part B.</p>
Provider Preventable Condition (PPC)	A condition occurring in an inpatient hospital setting, or a condition occurring in any health care setting, that meets the criteria as stated in 42 CFR section 447.26(b).