

State Plan Under Title XIX of the Social Security Act

Medical Assistance Program

State: South Carolina

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**Payment for Other Provider Preventable Conditions to include the three Never Events:**

Effective with date of processing October 1, 2012, any claim for dates of service on/after September 7, 2012, and in accordance with Title XIX of the Social Security Act-Sections 1902 (a)(4), 1902(a)(6), and 1903 and 42 CFR's 434.6, 438.6, 447.26, Medicaid will make no payments to providers for services related to Other Provider Preventable Conditions (OPPC's) that at a minimum must include the Never Events (NE)

Never Events will be identified with the following ICD-9 or diagnosis codes or ICD-10 replacement diagnosis codes:

- E876.5-Performance of wrong operation (procedure) on correct patient
- E876.6-Performance of operation (procedure) on patient not scheduled for surgery
- E876.7-Performance of correct operation (procedure) on the wrong side/body part

No reduction in payment for the Other Provider Preventable Condition that include at a minimum the Never Events will be imposed on a provider when the surgery or procedure defined as a Never Event for a particular patient existed prior to the initiation of treatment for the patient by that provider.

Reductions in provider payment may be limited to the extent that the following apply:

1. The State can reasonably isolate for non-payment the portion of the payment directly related to treatment for, and related to, the Other Provider Preventable Condition that include at a minimum the Never Events.

The following method will be used to determine the payment adjustment for Other Provider Preventable Conditions that at a minimum include the Never Events as defined by the National Coverage Determination for dates of services beginning on or after October 1, 2012:

Within thirty days of receiving a paid claim, in the South Carolina Medicaid Information System (MMIS) with a diagnosis code for any of the three Never Events will be reviewed to ensure the State can reasonably isolate for non-payment the portion of the payment directly related to the treatment for, and related to, the Other Provider Preventable Condition that include at a minimum the Never Events.

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**Citation**

42 CFR 434.6, 438.6, 447.26 and 1902(a)(4), 1902(a)(6), and 1903 of the Social security Act.

**Payment Adjustment for Other Provider Preventable Conditions**

The Medicaid agency meets the requirements of 42 CFR Part 447, subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for other provider preventable conditions.

**Other Provider Preventable Conditions**

The State identifies the following Other Provider Preventable Conditions for non-payment under Section 4.19(B) of this plan.

- Wrong Surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

Effective with date of processing October 1, 2012, any claim for dates of service on/after September 7, 2012 Medicaid will make zero payments to providers for Other Provider Preventable Conditions which includes Never Events (NE) as defined by the National Coverage Determinations (NCD). The Never Events (NE) as defined in the NCD include Ambulatory Surgical Centers (ASC) and practitioners, and these providers will be required to report NE's. Practitioners are defined in Attachments 4.19 B-Pages 1e, 3a. and 2a.2.

Reimbursement for conditions described above is defined in Attachment 4.19-B, Page 1a.1, of this State Plan.

- Additional Other Provider Preventable Conditions identified below (please indicate the section(s) of the plan and specific service type and provider type to which the provisions will be applied.)

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42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 of the Social Security Act, with respect to non-payment for provider-preventable conditions.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19-B:

X  Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

Additional Other Provider-Preventable Conditions identified below:

Not applicable

Section 2702 of the Patient Protection and Affordable Care Act of 2010 prohibits Federal payments to States under section 1903 of the Social Security Act for any amounts expended for prohibited medical assistance for certain provider-preventable conditions (PPC) and health care-acquired conditions (HCAC) for dates of service on/after September 7 2012. This policy applies to all individuals for which Medicaid is primary and those dually eligible for both the Medicare and Medicaid programs, and South Carolina Medicaid enrolled hospitals except for Indian Health Services. Reduced payment to providers is limited to the amounts directly identifiable as related to the PPC and the resulting treatment.

The following method will be used to determine the related reduction in payments for Other Provider-Preventable Conditions which includes Never Events as defined by the National Coverage Determination for Ambulatory Surgical Centers (ASC) and practitioners:

- A. Dates of service beginning on/after September 7, 2012:
  - 1. The claims identified with a Present on Admission (POA) indicator of “Y” or “U” and provider-preventable conditions through the claims payment system will be reviewed.
  - 2. When the review of claims indicates an increase of payment to the provider for an identified provider-preventable condition, the amount for the provider-preventable condition will be excluded from the providers’ payment.
- B. No reduction in payment for a provider preventable condition will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.
- C. Reductions in provider payment may be limited to the extent that the following apply:
  - 1. The identified provider-preventable conditions would otherwise result in an increase in payment.
  - 2. The State can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the provider provider-preventable conditions.
  - 3. Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.
- D. Non-payment of provider-preventable conditions shall not prevent access to services for Medicaid beneficiaries.