



Clover Health Hospital Acquired Conditions Reimbursement Policy

Policy # RP-044

Policy Title	Hospital Acquired Conditions Reimbursement Policy
Policy Department	Payment Strategy & Optimization
Effective Date	4/1/2022
Revision Date(s)	
Next Review Date	

Disclaimer:

Clover Health applies The Center for Medicare and Medicaid Services (CMS) criteria and guidelines, National Coverage Determinations (NCD), Local Coverage Determinations (LCD), Clover Policies, and MCG for determining medical necessity. Clover Policies are intended to provide a standard guideline but are not used to preempt providers' judgment in rendering services. Providers are expected to provide care based on best practices and use their medical judgment for appropriate care.

Description:

This policy describes the payment methodology used by Clover Health when a claim is billed with a hospital acquired condition, which will impact the payment amount.

Definitions:

- **Hospital Acquired Conditions (HAC)**
 - CMS has defined 10 categories of HAC that are: (a) high cost or high volume or both, (b) result in the assignment of a case to a DRG that has a higher payment when present as a secondary diagnosis, and (c) could reasonably have been prevented through the application of evidence-based guidelines.
- **Diagnosis Related Grouper (DRG)**
 - This is a three digit billing code used for inpatient acute care claims. Each DRG has a payment weight assigned to it, based on the average resources used to treat Medicare patients in that DRG.



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Policy:

When a claim is billed for an inpatient hospital, payment is made based on the billed DRG. The DRG is determined based on a number of factors: procedures, diagnosis codes, etc.

The CMS list of HAC categories, as defined by CMS is listed here:

- PSI 03 — Pressure Ulcer Rate
- PSI 06 — Iatrogenic Pneumothorax Rate
- PSI 08 — In Hospital Fall with Hip Fracture Rate
- PSI 09 — Perioperative Hemorrhage or Hematoma Rate
- PSI 10 — Postoperative Acute Kidney Injury Requiring Dialysis Rate
- PSI 11 — Postoperative Respiratory Failure Rate
- PSI 12 — Perioperative Pulmonary Embolism or Deep Vein Thrombosis Rate
- PSI 13 — Postoperative Sepsis Rate
- PSI 14 — Postoperative Wound Dehiscence Rate
- PSI 15 — Abdominopelvic Accidental Puncture/Laceration Rate

When an ICD-10 diagnosis code is billed with a present on admission code (POA) of “N”, that indicates that the diagnosis was not present on admission. If that “N” diagnosis code is on the CMS defined list of HAC codes, the diagnosis code will not be taken into account when calculating the DRG. Clover Health will not pay for diagnosis codes that are considered HAC, and the member cannot be balance billed.

Facilities that are excluded from this reduction are facility types that are excluded from Present on Admission (POA) indicator billing.

Claim Codes (if applicable)

[ICD-10 HAC List](#)

References

[CMS Hospital Acquired Conditions](#)

[HAC Regulations and Notices](#)

[ICD-10 HAC List](#)



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[Hospital Acquired Conditions Reduction Program](#)