State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

Volume 23 No. 07 **May 2013**

TO: Non-Acute Hospitals and Medicaid Health Maintenance Organizations

SUBJECT: **Revised Present on Admission (POA) Indicators and Healthcare Acquired Condition (HAC) Reporting on Inpatient Claims.**

Replaces Newsletter Volume 22 Number 15

EFFECTIVE: **July 1, 2012**

PURPOSE: To replace a previous newsletter which notified non-acute hospital providers and Health Maintenance Organizations (HMOs) of policy changes intended to deny reimbursement for inpatient days related to Healthcare Acquired-Conditions and other Provider-Preventable Conditions for services provided to New Jersey FamilyCare (NJFC)/Medicaid fee-for-service beneficiaries. This policy change affected claims with dates of service on or after July 1, 2012. The previous Newsletter Volume 22 Number 15 did not distinguish between the use of occurrence span code '74' and occurrence span code '77'.

BACKGROUND: Federal regulations at 42 CFR Part 447, Subpart A, 42 CFR Part 434, 42 CFR Part 438, and sections 1902(a)(4), 1902(a)(6), and 1903 of the Social Security Act and Section 2702 of the Patient Protection and Affordable Care Act prohibits Medicaid payments under section 1903 of the Social Security Act for medical assistance related to certain healthcare-acquired conditions (HACs) and outpatient provider-preventable conditions (PPCs) for individuals for which Medicaid is the primary payer and for which Medicare and Medicaid are payers for dually eligible beneficiaries.

ACTION: The POA indicator found in the 837I transaction is used to determine if a HAC was present when a patient was admitted to a hospital.

The following are the POA Indicator options and definitions:

Code	**Reason for Code**
Y	Diagnosis was present at the time of inpatient admission.
N	Diagnosis was not present at the time of inpatient admission.

Code	**Reason for Code**
U	Documentation insufficient to determine if the condition was present at the time of inpatient admission.

W Clinically undetermined. Provider unable to clinically determine whether the condition was present at the time of inpatient admission.

1 Exempt from reporting

The days associated with a transfer to an acute hospital for treatment of a HAC must be identified by use of the occurrence span code of '74' and the corresponding days of the **acute hospital** stay that relate to the HAC. These days of the **acute** inpatient stay related to any HAC diagnosis code reported on the claim with an associated POA indicator of 'N' or 'U will remain ineligible for payment to a non-acute facility.

When reporting a HAC where the non-acute facility managed the treatment of the HAC the days must be identified by use of the occurrence span code of '77' and the corresponding days of the stay that relate to the HAC. The days of the non-acute inpatient stay related to a HAC diagnosis reported on the claim with an associated POA indicator of 'N' or 'U' will be subject to medical review for non-payment if it is determined that the HAC is due to medical negligence.

Occurrence span code '74' or '77' and the related date span must be included on a claim that contains a POA indicator of 'N' or 'U', otherwise the claim will be denied.

Any diagnosis code reported on the claim with an associated POA indicator of '1' must be listed on the **'**Categories and Codes Exempt from Diagnosis Present on Admission Requirement' list as published in the 2011 ICD-9-CM Official Guidelines for Coding and Reporting or the claim will be denied.

If you have questions concerning this Newsletter, please contact The Office of Reimbursement Services within the Division of Medical Assistance and Health Services at 609-588-2668.

RETAIN THIS NEWSLETTER FOR FUTURE REFERENCES