

# Provider

# Alert

*Passport*  
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**Subject: Reimbursement Phase of POA Quality Initiative to Begin  
October 1, 2008**

From: Passport Advantage

Sent: September 5, 2008

To: Passport Advantage Acute Access Hospitals

**Provider Types Affected:**

Passport Advantage Acute Access Hospitals

**Background:**

As you may know, the Deficit Reduction Act of 2005 (DRA) requires a quality adjustment in Medicare Diagnosis Related Group (DRG) payments for certain hospital-acquired conditions. The Centers for Medicare & Medicaid Services (CMS) has titled the program “Hospital-Acquired Conditions (HAC) and Present on Admissions (POA) Indicator Reporting.”

Inpatient Prospective Payment System (IPPS) hospitals have been required to submit POA information on diagnoses for inpatient discharges since October 1, 2007. Now, as further required by CMS, Passport Advantage (PAD) will implement the reimbursement phase of the HAC and POA quality initiative.

**Effective October 1, 2008, PAD will no longer reimburse acute access hospitals for additional payment in cases where a specific condition or secondary diagnosis was not present on admission.** Claims will be reimbursed as if the secondary diagnosis were not present. For examples of the conditions considered reasonably preventable, and their associated codes, please see the attached *Guidelines for HAC and POA*.

**Provider Action Needed:**

IPPS hospitals are required to continue reporting POA information for both principal and secondary diagnoses for inpatient discharge. For detailed instructions on reporting POA information on paper and electronic claims, see the attached *Guidelines for HAC and POA*.

**Resources and Questions:**

If you have questions regarding this communication, please contact your Provider Relations representative or the Provider Relations department at (502) 585-7943.

For more information visit the HAC and POA web page at <http://www.cms.hhs.gov/HospitalAcqCond/> on the CMS web site.

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