

Alternative Approaches to Identifying and Measuring Complications of Inpatient Care					
Category	Hospital-Acquired Condition, Present on Admission Indicator Program	Hospital-Acquired Condition Reduction Program	Healthcare Acquired Conditions	Never Events or Serious Reportable Events (SREs)	Potentially Preventable Complications
Developer	CMS	CMS and Agency for Healthcare Research and Quality	CMS and state Medicaid programs	CMS and the National Quality Forum	3M Health Information Systems
Payers Who Use Measure	Medicare	Medicare	State Medicaid programs	Medicare and Medicaid programs	Various Medicaid programs, private insurers and managed care organizations
Effective Date	10.1.2007	10.1.2014	7.1.2011	10.1.2008	N/A
How Measure Works	List of 14 conditions associated. If a claim includes a specific diagnosis code that was not present on admission, then a HAC is assigned.	Assigns a 1-10 score to each hospital based on a combination of measures in two domains, the Patient Safety Indicator (PSI) 90 Composite from AHRQ and standardized infection rates for five infections.	Similar to the Medicare HAC/POA program, states must reduce payment for 10 inpatient complications. States have flexibility in how to adjust payment and can expand the list to include other conditions.	A list of 29 events grouped into 6 categories that refer to "particularly shocking medical errors (such as wrong-site surgery) that should never occur." <sup>2</sup> Some are on the Medicare HAC list and others are not.	A list of 65 hospital-acquired conditions that are potentially preventable. This measure considers that not every complication is preventable.
Present on Admission Indicator	Required on submitted claims	Required on submitted claims	Required on submitted claims	Required on submitted claims for some events	Required on submitted claims
Example	HAC 02 is for air embolism (when secondary diagnosis code T800XXA appears).	PSI 13 - Postoperative sepsis rate	Surgical site infection	Retained foreign object	Pneumonia and other lung infections
Incidence	Rare	721 of 3,284 hospitals participating in the program had payments reduced in FY 2015.	Rates vary among states due to differing applications and are not always reported, but are typically rare.	Very rare. One state reported 312 never events out of about 2.8 million patient days in 2007-08.	Results vary depending on patient population, but PPCs typically occur in 5% to 10% of inpatient stays.
Effect on Payment	Pays as through the HAC were not present	Reduces payment by 1% to lowest-performing 25% of hospitals	Varies by program	Depending on condition, no payment or treated as HAC	Varies by state and commercial program
Federal Legislation	Deficit Reduction Act of 2005, Section 5001(c)	Patient Protection and Affordable Care Act of 2010, Section 3008	Patient Protection and Affordable Care Act of 2010, Section 2702	Deficit Reduction Act of 2005, Section 5001(c)	None
For More Information	<a href="http://www.cms.gov/medicare/medicare-fee-for-service-payment/hospitalacqcond/hospital-acquired_conditions.html">www.cms.gov/medicare/medicare-fee-for-service-payment/hospitalacqcond/hospital-acquired_conditions.html</a>	<a href="http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/HAC-Reduction-Program.html">www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/HAC-Reduction-Program.html</a>	<a href="http://www.medicaid.gov/medicaid/financing-and-reimbursement/provider-preventable-conditions/index.html">www.medicaid.gov/medicaid/financing-and-reimbursement/provider-preventable-conditions/index.html</a>	<a href="http://www.qualityforum.org/Publications/2008/10/Serious_Reportable_Events.aspx">www.qualityforum.org/Publications/2008/10/Serious_Reportable_Events.aspx</a>	<a href="http://www.3m.com/3M/en_US/company-us/all-3m-products/-/3M-Solutions-for-Potentially-Preventable-Events?N=5002385+8707795+8709364+8711017+8717532+8717555+3293081090&amp;rt=rud">www.3m.com/3M/en_US/company-us/all-3m-products/-/3M-Solutions-for-Potentially-Preventable-Events?N=5002385+8707795+8709364+8711017+8717532+8717555+3293081090&amp;rt=rud</a>

- Notes:
1. Healthcare Acquired Conditions (HCACs) are defined for Medicaid, whereas Hospital-Acquired Conditions are defined for Medicare.
  2. [psnet.ahrq.gov/primers/primer/3/never-events](http://psnet.ahrq.gov/primers/primer/3/never-events)