

PARTNERSHIP HEALTHPLAN OF CALIFORNIA

POLICY / PROCEDURE

Policy/Procedure Number: MPQP1055 (previously CMP-36)			Lead Department: Health Services	
Policy/Procedure Title: Provider Preventable Condition (PPC) Reporting			<input checked="" type="checkbox"/> External Policy <input type="checkbox"/> Internal Policy	
Original Date: 09/03/2013 (CMP-36)		Next Review Date: 06/12/2025 Last Review Date: 06/12/2024		
Applies to:	<input checked="" type="checkbox"/> Medi-Cal		<input checked="" type="checkbox"/> Employees	
Reviewing Entities:	<input checked="" type="checkbox"/> IQI	<input type="checkbox"/> P & T	<input checked="" type="checkbox"/> QUAC	
	<input type="checkbox"/> OPERATIONS	<input type="checkbox"/> EXECUTIVE	<input type="checkbox"/> COMPLIANCE	<input type="checkbox"/> DEPARTMENT
Approving Entities:	<input type="checkbox"/> BOARD	<input type="checkbox"/> COMPLIANCE	<input type="checkbox"/> FINANCE	<input checked="" type="checkbox"/> PAC
	<input type="checkbox"/> CEO	<input type="checkbox"/> COO	<input type="checkbox"/> CREDENTIALING	<input type="checkbox"/> DEPT. DIRECTOR/OFFICER
Approval Signature: Robert Moore, MD, MPH, MBA			Approval Date: 06/12/2024	

I. RELATED POLICIES:

- A. MPQP1016 – Potential Quality Issue Investigation and Resolution
- B. FIN 405 – Treatment of Recoveries of Overpayments to Providers
- C. CMP30 – Records Retention and Access Requirements

II. IMPACTED DEPTS.:

- A. Health Services
- B. Claims
- C. Finance
- D. Provider Relations
- E. Compliance

III. DEFINITIONS:

- A. Provider Preventable Condition (PPC): specified and defined Health Care Acquired Condition (HCAC or HAC) or Other Provider Preventable Condition (OPPC), which is a medical condition or complication that a patient develops during a hospital stay or ambulatory surgical encounter that was not present at admission. See Title 42 of the Code of Federal Regulations Sections [§447.26, 434.6, 438.3 and Welfare and Institutions Code Section 14131.11](#) for original documentation related to these terms.
- B. Potential PPC: An incident or activity reported to Partnership HealthPlan of California (Partnership), or flagged during internal Partnership encounter data audits, as a possible PPC, before it has been investigated and confirmed.
- C. OPPC and HCAC definitions, according to the Department of Health Care Services (DHCS), can be found here: (http://www.dhcs.ca.gov/individuals/Pages/AI_PPC.aspx)
- D. Other Provider Preventable Conditions (OPPC) for purposes of Medicaid include the following (may occur in any health care settings):
 - 1. Wrong surgery or wrong invasive procedure
 - 2. Surgery or invasive procedure on the wrong body part
 - 3. Surgery or invasive procedure on the wrong patient
- E. Health Care Acquired Condition (HCAC or HAC) for purposes of Medicaid include the following (for inpatient hospital settings only):
 - 1. Air embolism
 - 2. Blood incompatibility transfusion
 - 3. Catheter-associated urinary tract infection (UTI)
 - 4. Falls and trauma that result in fractures, dislocations, intracranial injuries, crushing injuries, burns and electric shock
 - 5. Foreign object retained after surgery

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6. Iatrogenic pneumothorax with venous catheterization
7. Manifestations of poor glycemic control
 - a. Diabetic ketoacidosis
 - b. Nonketotic hyperosmolar coma
 - c. Hypoglycemic coma
 - d. Secondary diabetes with ketoacidosis
 - e. Secondary diabetes with hyperosmolarity
8. Stage III and IV pressure ulcers that developed during the patient's hospital stay
9. Surgical site infection following:
 - a. Mediastinitis following coronary artery bypass graft (CABG)
 - b. Bariatric surgery, including laparoscopic gastric bypass, gastroenterostomy and laparoscopic gastric restrictive surgery
 - c. Orthopedic procedures for spine, neck, shoulder, and elbow
 - d. Cardiac implantable electronic device (CIED) procedures
10. Vascular catheter-associated infection
11. Deep vein thrombosis (DVT)/pulmonary embolism (PE) (excluding pregnant women and children under 21 years of age) resulting from:
 - a. Total knee replacement
 - b. Hip replacement

IV. ATTACHMENTS:

A. N/A

V. PURPOSE:

Title 42 of the Code of Federal Regulations, Sections 447.26, 434.6 and 438.3 and Welfare and Institutions Code Section 14131.11 prohibit the payment of Medicaid/Medi-Cal funds to a provider for the treatment of a PPC except when the PPC existed prior to the initiation of treatment for that beneficiary by that provider. Furthermore, the federal Centers for Medicare & Medicaid Services (CMS) specified that managed care organizations must participate in reporting PPC-related encounters.

This policy serves to define the mechanism for screening, investigating, processing and reporting of PPCs.

VI. POLICY / PROCEDURE:

A. Reporting Requirements

1. Providers must report potential PPCs directly to the DHCS Audits & Investigations (A&I) Unit after discovery of the event and confirmation that the patient is a Medi-Cal beneficiary. Online reporting guidance at: http://www.dhcs.ca.gov/individuals/Pages/AI_PPC.aspx. Reporting is required for all Medi-Cal beneficiaries, including those eligible for Medicare or other insurance coverage.
2. Any potential PPC pertaining to a Partnership member must also be reported directly to Partnership. Providers should forward potential PPCs to the Quality Improvement (QI) department via a secure email at PQI@partnershiphp.org. The email must be encrypted through a secure messaging system.
3. Partnership follows-up on all provider self-reported potential PPCs to ensure that appropriate notification has also been sent by the provider to DHCS A&I.
4. Potential PPCs may also be reported to the QI department by Partnership staff or community members, per the PQI identification methods identified in MPQP1016 Potential Quality Issue Investigation and Resolution.
5. Request for information about the PPC process or how to report a PPC may be referred to the QI department's Member Safety & Clinical Investigations team via PQI@partnershiphp.org.

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B. Partnership Screening for PPCs

1. Partnership Claims department screens encounter data on a monthly basis, including data received from network providers, for the presence of PPC-specific billing codes. Encounters identified are forwarded by the Claims department to PQI@partnershiphp.org on a monthly basis in a report format, and are reviewed by the Clinical Investigations team.

C. Clinical Review of Potential PPCs

1. Potential PPCs are investigated according to the PQI investigation processes outlined in MPQP1016 Potential Quality Issue Investigation and Resolution.
2. The scope of review includes both a medical record and claims history review.
3. All potential PPCs are forwarded to the Chief Medical Officer (CMO) or physician designee for secondary review.
4. Potential PPC cases may be reviewed by the Partnership Peer Review Committee for additional potential actions/remedies, as noted in MPQP1016.

D. Reporting Confirmed PPCs

1. The QI department reports all confirmed PPCs previously unreported to the DHCS A&I unit via the online reporting module: http://www.dhcs.ca.gov/individuals/Pages/AI_PPC.aspx.
2. Notification of the reported incident is also sent to Partnership's internal Compliance Oversight Department (RAC_Inbox@partnershiphp.org.)

E. Payment Recoupment for Confirmed PPCs

1. If the case is determined to be a PPC, the medical record will be reviewed to determine which, if any extra procedures, length of hospitalization, medications or other items/ actions were provided to the member exclusively because of the PPC. Documentation of this review will be placed in the QI department PQI case file.
2. The CMO or physician designee will discuss the case with a representative of Claims, Finance – Cost Avoidance Unit, Provider Relations and Utilization Management departments who are well versed in provider reimbursement. Using the results of the PPC clinical review, and a review of the federal code, this group will recommend which, if any, charges are recommended for recoupment. Partnership's CMO and Chief Financial Officer (CFO) will review and act upon this recommendation.
3. The Finance – Cost Avoidance Unit will process any recoupment in accordance with Partnership Policy FIN-405 – Treatment of Recoveries of Overpayments to Providers.
4. Contractor, Subcontractor, Downstream Subcontractor, or Network Provider shall not pay any Provider claims nor reimburse a Provider for a PPC in accordance with 42 CFR section 438.3(g)

F. Communication

1. The QI department will notify the provider of the results of the potential PPC clinical investigation.
2. For confirmed PPCs, the Finance – Cost Avoidance Unit will communicate with the provider the recommendations of the PPC financial review and the mechanism of recoupment proposed, if indicated.
3. Any objections raised by the provider regarding final case determinations will be escalated to the CFO and CMO for review.

G. Training

1. Provider training: The Provider Relations department provides routine education of the contracted provider network through provider newsletters and bulletins on the requirement to report PPCs for Partnership members directly to DHCS and Partnership.
2. Employee training: Partnership staff that review hospital records and hospital inpatient quality issues will be trained on this policy. This includes the QI staff involved in medical record review, Claims staff reviewing hospital claims, and Utilization Management and Care Coordination staff reviewing hospital care. These trainings will be conducted at the department level during the orientation process, and when the policy is updated.

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3. Delegate notification: Each year, as part of the delegate oversight process, each delegated health care provider will be notified of their responsibility to report PPCs to Partnership when they occur.

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H. Document Retention

1. Copies of all PPC submissions to DHCS by Partnership or Partnership providers, and supporting medical record evidence, will be maintained by Partnership in accordance with Partnership document retention policy CMP30.

I. Oversight

1. An annual summary PPC report will be presented to the Partnership's Internal Quality Improvement Committee (IQI), the Quality and Utilization Advisory Committee (Q/UAC) and the Compliance Committee.

VII. REFERENCES:

- A. Department of Health Care Services All Plan Letter 17-009 (DHCS [APL 17-009\): Reporting Requirements Related to Provider Preventable Conditions \(05/23/2017\)](#)
- B. [DHCS Medi-Cal Guidance on Reporting PPCs \(last modified 03/23/2021\)](#)
- C. [DHCS PPC Frequently Asked Questions \(last modified 03/23/2021\)](#)
- D. [DHCS PPC Online Reporting System](#)
- E. Department of Health and Human Services, Centers for Medicare & Medicaid Services, 42 CFR Parts 434, 438, and 447 - Medicaid Program; Payment Adjustment for Provider Preventable Conditions including Health Care-Acquired Conditions, [effective July 1, 2011 https://www.govinfo.gov/content/pkg/FR-2011-06-06/pdf/2011-13819.pdf](#),
- F. Centers for Medicare & Medicaid Services, Hospital-Acquired Conditions [https://www.cms.gov/medicare/medicare-fee-for-service-payment/hospitalacqcond?redirect=/hospitalacqcond/](#)

VIII. DISTRIBUTION:

- A. Partnership Provider Manual
- B. Partnership Department Directors

IX. POSITION RESPONSIBLE FOR IMPLEMENTING PROCEDURE:

Chief Medical Officer

X. REVISION DATES:

10/19/16, 06/14/17, *03/14/18; 03/13/19; 03/11/20; 06/10/20; 06/09/21; 06/08/22; 06/14/23; 06/12/24

*Through 2017, Approval Date reflective of the Quality/Utilization Advisory Committee meeting date. Effective January 2018, Approval Date reflects that of the Physician Advisory Committee's meeting date.

PREVIOUSLY APPLIED TO:

CMP 36, Provider Preventable Conditions – 09/03/2013 to 10/19/2016, now archived.