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IPPS rule expands HAC list

The final 2009 Inpatient Prospective Payment System (IPPS) rule was released on July 31 and expands the list of hospital-acquired conditions (HACs) that Medicare will no longer cover. Beginning October 1, the Centers for Medicare & Medicaid Services (CMS) will no longer allow hospitals to assign an inpatient hospital discharge to a higher payment level if certain conditions developed as a consequence of inpatient care. The new HACs include manifestations of poor glycemic control and deep vein thrombosis. In addition, CMS is expanding the surgical site infection HAC to include surgical site infection following certain elective orthopaedic procedures and bariatric operations. CMS has also refined the current HACs pertaining to foreign object retained after surgery and pressure ulcers by updating the International Classification of Diseases, Ninth Revision, Clinical Modification (ICD-9-CM) codes in these categories. Many states, insurance carriers, and institutions are following Medicare's lead by implementing nonpayment policies for specific mistakes. A copy of the final rule is available at <http://www.cms.hhs.gov/AcuteInpatientPPS/downloads/CMS-1390-F.pdf>. (See related story, page 18.)

HHS proposes ICD-10 code sets

On August 15, the U.S. Department of Health and Human Services (HHS) announced a long-awaited proposed regulation that would replace the ICD-9-CM code sets now used to report health care diagnoses and procedures with greatly expanded ICD-10 code sets. The ICD-10 codes would become effective October 1, 2011. In a separate proposed rule, HHS calls for adopting updated standards for electronic transactions, which would be compatible with the ICD-10 codes.

Developed almost 30 years ago, ICD-9 is now widely viewed as outdated because of its limited capacity to accommodate new procedures and diagnoses. ICD-9 contains only 17,000 codes and is expected to start running out of available codes next year. By contrast, the ICD-10 code sets contain more than 155,000 codes and accommodate a host of new diagnoses and procedures. The additional codes will help to enable the implementation of electronic health records because they will provide more detailed descriptions of the work performed. At press time, ACS regulatory staff was reviewing the proposed rule, which may be viewed at http://www.cms.hhs.gov/TransactionCodeSetsStandards/02_TransactionsandCodeSetsRegulations.asp#TopOfPage.

CMS awards contracts for QIO program

On August 14, CMS announced that it has awarded contracts for the ninth statement of work for the 53 contractors participating in Medicare's Quality Improvement Organization (QIO) program. The QIO contracts extend from August 1, 2008, through July 31, 2011, and mark a new direction for the QIO Program. The ninth statement of work aims to improve the quality of care for Medicare beneficiaries through three means, to be implemented by each of the 53 QIO contractors nationwide throughout the contract period: beneficiary protection, patient safety, and preventive medicine. In addition, QIOs in select states will focus on health disparities reduction, care transitions, and chronic kidney disease treatment. For more information, visit <http://www.cms.hhs.gov/QualityImprovementOrgs>.