Agenda

- Refresh on HHSC PPR and PPC quality based payment policy
- Introduction of TX POA policy
- Intro to Present on Admission (POA)
- Explanation of the POA Quality Test
- Best Practice on evaluating POA
- Failing one of more POA Quality Screens
- Summary
HHSC PPR and PPC quality based payment policy

Background

- Potentially Preventable Readmissions (PPRs)
  - Goals, Methodology and process
- Potentially Preventable Complications (PPCs)
  - Goals, Methodology and process
- Present on Admission (POA) quality screen
- Reports
- HHSC Customer Service/Technical Support
HHSC Policy on POA performance

• Why focus on POA?
  • Rationale and potential consequences outlined in Administrative Rules
• Basic Process
  • Annual Measurement of most recent fiscal year dataset
  • POA quality check for PPC
  • Hospital reports
  • Reimbursement Adjustments
• HHSC, EQRO, 3M Technical Assistance
Introduction of Present on Admission (POA)

POA Defined: The Present on Admission (POA) indicator is a data element on the hospital administrative record that is associated with each diagnosis field and indicates whether the condition was present at hospital admission (a comorbidity) or whether it arose during the hospitalization stay (a complication).
Introduction of Present on Admission (POA)

- **1990’s**
  - POA introduced

- **2007**
  - Medicare mandated reporting of POA for IPPS

- **2010**
  - Texas State required POA reporting

- **2012**
  - Texas HHSC implemented the Medicaid Hospital Pay for Quality program using PPC

- **2014**
  - Texas HHSC Inclusion of Children’s Hospitals in Hospital Pay for Quality program.
Why is POA important to Potentially Preventable Complications (PPC) study?

POA is used in 3 places in the PPC logic:

• Admissions APR DRG and SOI assignment.
• Assignment Criteria
• Exclusion Criteria
Admission APR

- Aimed at determining how sick the patient is based on reason for admission when they entered the admission.
- Uses POA and 7 pre-processing steps to determine which of the discharge ICD codes will be included in the APR DRG assignment.
- Uses same 18 step classification as Discharge APR DRG.
- Used in PPC Assignment and Exclusion Criteria
- Used as Risk Adjustor for PPC rates.

Ex:

<table>
<thead>
<tr>
<th>Discharge Code</th>
<th>POA</th>
<th>Admission Code</th>
<th>POA</th>
</tr>
</thead>
<tbody>
<tr>
<td>4280</td>
<td>Y</td>
<td>4280</td>
<td>Y</td>
</tr>
<tr>
<td>42731</td>
<td>Y</td>
<td>42731</td>
<td>Y</td>
</tr>
<tr>
<td>481</td>
<td>N</td>
<td></td>
<td></td>
</tr>
<tr>
<td>00845</td>
<td>N</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8872</td>
<td>Proc</td>
<td>8872</td>
<td>Proc</td>
</tr>
</tbody>
</table>
# How does that affect PPC rates?

<table>
<thead>
<tr>
<th>Representation</th>
<th>Population Represent: (Admission APR DRG/SOI)</th>
<th>PPC Assignment</th>
<th>PPC Actual Rates</th>
<th>PPC Expected Rate</th>
<th>PPC marginal Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Too Many POA</td>
<td>Looks Sicker</td>
<td>Under counts complications</td>
<td>Lower than real</td>
<td>Higher than real</td>
<td>Potentially lower costs than is real</td>
</tr>
<tr>
<td>Too Many Not POA</td>
<td>Looks Healthier</td>
<td>Over counts complications</td>
<td>Higher than real</td>
<td>Lower than real</td>
<td>Potentially higher costs than is real</td>
</tr>
</tbody>
</table>
POA Quality Check Test

Developed by 3M Clinical and Economic Research group.
Clinical panels looked at ICD codes and determined which codes were likely never to be POA.
Data was run to examine coding practice patterns
Multiple States are using the POA Quality Check as part of their Potentially Preventable Complications initiative.
Document is refined based on research and feedback each year.
• Ex: 3 Neonatal codes were recently taken off the Pre-existing list.

POA Values:
Y = POA, N = Not POA, U = Unknown, W = Clinically undeterminable, Null = Exempted from POA
In PPC grouper- User Preference:
U value is seen as N and W are seen as Y
Research suggests that these thresholds indicate that your coding for POA may warrant further review to ensure accuracy.

- **Screen 1**: Looking for Not POA on codes that likely to be always POA.
- **Screen 2**: Looking for too many POA on codes not necessarily always POA.
- **Screen 3**: Looking for too few POA on codes not necessarily always POA.
- **Screen 4**: Looking for too many POA on surgical risk conditions.
  - List can be found in Evaluating the quality of POA reporting in hospital claims data – List #4
- **Test Failure Criteria**
  - 2 or more Grey Zone
  - 1 or more Red Zone
3M Proprietary Lists used in POA evaluation

- Pre-existing List
- Pre-Existing list can be found in APR DRG Definitions Manual Vol1 Appendix F
- Intended to ID conditions not likely to be Hospital Acquired or Not present on Admission.
  - Infections (ex: Valley Fever, Lyme Disease, Botulism)
  - Cancer (ex: Neoplasms)
  - Congenital Diseases (ex: Down’s Syndrome, CF)
  - Long Term Chronic (ex: Cataracts)
  - History or Family History v codes
- Elective Surg List #4
  - Elective Surgical list is a list of conditions that are not likely to be present on admission.
List #4 - The following list of secondary diagnosis codes assigned to surgical DRG cases.

<table>
<thead>
<tr>
<th>Secondary diagnosis code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>4022</td>
<td>IATROGENIC HYPOTENSION</td>
</tr>
<tr>
<td>7001</td>
<td>RESPIRATORY ARREST</td>
</tr>
<tr>
<td>9071</td>
<td>SURG COMPL-HEART</td>
</tr>
<tr>
<td>9072</td>
<td>SURG COMP-PERI VASC SYST</td>
</tr>
<tr>
<td>9073</td>
<td>SURG COMPLIC RESPIR SYST</td>
</tr>
<tr>
<td>9074</td>
<td>SURG COMPL-DIGESTV SYSTEM</td>
</tr>
<tr>
<td>9075</td>
<td>SURG COMPL-URINARY TRACT</td>
</tr>
<tr>
<td>90611</td>
<td>HEMORRHAGE COMPIC PROC</td>
</tr>
<tr>
<td>90812</td>
<td>HEMATOMA COMPIC PROC</td>
</tr>
<tr>
<td>9992</td>
<td>ACCIDENTAL OP LACERATION</td>
</tr>
<tr>
<td>99969</td>
<td>OTHER POSTOP INFECTION</td>
</tr>
<tr>
<td>99999</td>
<td>OTH SPG CMPLIC PROCD NEC</td>
</tr>
<tr>
<td>9992</td>
<td>VASC COMP MED CARE NEC</td>
</tr>
<tr>
<td>99990</td>
<td>INFEC COMP MED CARE NEC</td>
</tr>
<tr>
<td>99968</td>
<td>TRANSFUSION REACTION NEC</td>
</tr>
<tr>
<td>45829</td>
<td>OTHER IATROGENIC HYPOTENSION</td>
</tr>
<tr>
<td>5155</td>
<td>POST TRAUM PULM INSUFFIC</td>
</tr>
<tr>
<td>90701</td>
<td>SURG COMPLICATION . CNS</td>
</tr>
<tr>
<td>99702</td>
<td>IATROGENIC V INFARCT/MRNG</td>
</tr>
<tr>
<td>9980</td>
<td>POSTOPERATIVE SHOCK</td>
</tr>
<tr>
<td>99881</td>
<td>EMPHYSMA RESULT FRM PROC</td>
</tr>
<tr>
<td>41511</td>
<td>IATROG PULM EMB/FAROC</td>
</tr>
<tr>
<td>99662</td>
<td>INFEC AND INFLAMMATORY REACTION DUE TO OTHER VASC DEVICE, IMPLANT,</td>
</tr>
<tr>
<td></td>
<td>AND GRAFT</td>
</tr>
<tr>
<td>99901</td>
<td>INFEC DUE TO CENTRAL VENOUS CATHETER</td>
</tr>
</tbody>
</table>
How to read the report

Potentially Preventable Complications (PPC)

About this report
Senate Bill 7, 82nd Legislature, First Called Session, 2011, and S.B. 7, 83rd Legislature, Regular Session, 2013, requires HHSC to implement a reporting process and reimbursement reductions to hospitals based on performance in potentially preventable readmissions (PPRs) and potentially preventable complications (PPCs) in fee-for-service (FFS) Medicare; actual rates of those potentially preventable events are compared to expected rates and a final reimbursement adjustment is determined and applied to all claims paid by HHSC.

Hospitals can be penalized up to 2% for a PPC actual to expected ratio of 1.10 or greater (10% above the statewide risk adjusted average) or 2.5% for a PPC actual to expected ratio of greater than 1.25 (25% above the statewide, risk adjusted average).

This report is designed to help hospitals target their improvement efforts. HHSC will provide underlying detailed data for this report through an e-mail request (please include full name, e-mail, phone number, NPI, TPI, and hospital name) to MDQ_PPR_HHSC.state.tx.us.

HHSC Potentially Preventable webpage: http://www.hhsc.texas.gov/hhsc_project/CQI/Potentially-Preventable-Events.shtml

Hospital:
NPI: TPI: Reporting Period: State Fiscal Year 2014 Population: All Medicaid and CHIP Effective Date: September 1, 2015
* This is a low-volume hospital

Hospital Present on Admission (POA) Quality Check

<table>
<thead>
<tr>
<th>Hospital PPC Resource Utilization</th>
<th>% Not POA for Secondary Diagnosis</th>
<th>% POA for Secondary Diagnosis</th>
<th>% POA for Secondary Diagnosis and Elective Surgical Diagnosis</th>
</tr>
</thead>
<tbody>
<tr>
<td>% Not POA for Pre-Existing List</td>
<td>6.75%</td>
<td>82.6%</td>
<td>71.3%</td>
</tr>
<tr>
<td>% POA for Secondary Diagnosis</td>
<td>GREY N/A</td>
<td>N/A</td>
<td>RED FAIL</td>
</tr>
</tbody>
</table>

POA Criteria

Quality Screen 1: High % Non POA for secondary diagnoses on the Pre-Existing List
This criterion identifies hospitals with a high percent non-POA (POA = N) for pre-existing secondary diagnosis codes.
Red Zone: % Non POA on Pre-Exist ≥ 7.5%
Grey Zone: 5% ≤ % Non POA on Pre-Exist < 7.5%

Quality Screen 2: High % POA for secondary diagnoses
This criterion identifies hospitals with an extremely high percent present on admission (POA = Y) for secondary diagnosis codes (excluding exempt, pre-existing, and OB 7600x-7799x codes).
Red Zone: % POA ≥ 96%
Grey Zone: 93% ≤ % POA < 96%

Quality Screen 3: Low % POA for secondary diagnoses
This criterion identifies hospitals with an extremely low percent present on admission for secondary diagnoses codes (excluding exempt, pre-existing, and OB 7600x-7799x codes).
Red Zone: % POA ≤ 70%
Grey Zone: 70% < % POA ≤ 77%

Quality Screen 4: High % POA for secondary diagnoses on the Elective Surgical List
This criterion identifies hospitals with a high percent POA (POA = Y) for elective surgery secondary diagnosis codes.
Red Zone: % POA ≥ 40%
Grey Zone: 30% ≤ % POA < 40%

Present on Admission Not Present on Admission

Too Many

Quality Screen 2

Quality Screen 3

Too Few

Quality Screen 1

Quality Screen 4
## TX HHSC POA Quality Test Results

### FY14 POA: Based on Counts of Admissions At-Risk for a PPC

<table>
<thead>
<tr>
<th></th>
<th>Good POA</th>
<th>Suspect POA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Volume</td>
<td>61%</td>
<td>39%</td>
<td>100%</td>
</tr>
<tr>
<td>Low Volume</td>
<td>29%</td>
<td>71%</td>
<td>100%</td>
</tr>
</tbody>
</table>

### FY 14 POA: Based on Counts of Hospitals

<table>
<thead>
<tr>
<th></th>
<th>Good POA</th>
<th>Suspect POA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Volume</td>
<td>51%</td>
<td>49%</td>
<td>100%</td>
</tr>
<tr>
<td>Low Volume</td>
<td>39%</td>
<td>61%</td>
<td>100%</td>
</tr>
</tbody>
</table>
Best Practice on evaluating your data – Analysis on your data

- Query for top 5 Secondary Diagnoses coded Not POA
- Check if any of the Diagnoses are on the Pre-existing list
  - Look at what APR DRG/Principal is coded on the records
  - Look for trends and connections
- Query for most frequent 20 diagnoses found on Pre-existing list
  - How many of these Diagnoses are coded Not POA
  - What APR or Principle is associated with the records.
  - Look for trends and connections
- Query for Top 5 Secondary Diagnoses coded POA on Surgical Cases
  - Are any of these on the List #4
  - Are any of these chronic diagnoses
  - Look for trends and connections
Consequences of a Failure on POA Quality Test

Your data is not included in the normative or costing tables.

Financial Consequence for poor reporting
Under or Over representation of POA on the following:
• Hospital Acquired Conditions
• AHRQ PSI's/PDI's
• Public Reporting /Report Cards
• Federal audits

Compromises in Quality Management Planning
Strategic Planning compromises
Common root causes for failing

- Pressure to decrease time to bill
- Lack of querying physician for POA
- Lack of performance measurement on POA
- Lack of physician and/or coder education
- High physician turnover
- Transfer conditions vs. complications
- Children’s/Small Hospitals
  - Reporting POA exemption until recently
  - Difficult to discern temporal vs. congenital condition
  - Unusual syndromes and conditions

Cause: Coding vs Documentation
I failed the Test – now what do I do?

Plan
• Create a stakeholder group
• Create an Action Plan

Investigate
• Review reports /Emulate
• Do independent analysis on current data
• Categorize and Rank problems
• Concurrent review of audit

Improve
• Create intervention/education plan
• Roll out the plan house or system wide

Monitor
• Compare and trend over time
References that may help

POA Coding guidelines -
- http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalAcqCond/Statute_Regulations_Program_Instructions.html

TX HHSC PPE webpage -
- http://www.hhsc.state.tx.us/hhsc_projects/ECI/Potentially-Preventable-Events.shtml

3M Documentation Website -
- www.aprdrgassign.com (Username – TXHosp; Password – aprdrg004)

HCUP Present on admission toolkit -
- http://www.hcup-us.ahrq.gov/datainnovations/clinicaldata/poatoolkit.jsp

Industry Tools and Help

Children’s Hospital Webinar – talk to the experts
Emulate the TX POA Quality Screen
Analytics for POA
HCUP Present on admission toolkit
Coding Editors
Consultants / Auditors
Q&A

E-mail: MCD_PPR_PPC@hhsc.state.tx.us

HHSC PPE webpage:
http://www.hhsc.state.tx.us/hhsc_projects/ECI/Potentially-Preventable-Events.shtml