



# Understanding the Hospital-Acquired Condition Reduction Program

**Hospital-Acquired Conditions are defined as:** Conditions that patients acquire while receiving treatment for another condition in an acute care health setting.

Beginning in FY 2015, the Hospital-Acquired Condition (HAC) Reduction Program, mandated by the Affordable Care Act, requires the Centers for Medicare & Medicaid (CMS) to reduce hospital payments by 1 percent for hospitals that rank among the lowest-performing 25 percent with regard to HACs.



## Measures

The HAC program has three measures for FY 2015, which are identified in the IPPS rule:

- Patient Safety Indicators PSI 90 composite measure
- Central Line Associated Bloodstream Infections (CLABSI) measure
- Catheter Associated Urinary Tract Infections (CAUTI) measure

FY 2016 Additions

- SSI - Colon Surgeries and Abdominal Hysterectomies

FY 2017 Additions

- MRSA
- CDI

See following tables for more information.

## Measure Score

Each hospital will receive 1 to 10 points for each measure based on their national percentile ranking. Points will be assigned for each measure in deciles between the score of the best performing hospital and the worst performing hospital. Note: unlike the Value Based Purchasing Program (VBP), a lower score is better, a higher score is worse.

## Domain Score

For domain 1, there is only one measure, so the domain score is the same as the measure score. For domain 2, 1 to 10 points will be assigned for each SIR, and then averaged to determine the domain score.

## Domain Weighting

Each domain is weighted to determine the Total HAC Score – For FY 2016 the Domain 1 is 25% and Domain 2 is 75% of the total score.

## Total HAC Reduction Score

A hospital’s performance is assessed on the measures that comprise the domains. Each measure is given a score. If there is more than one measure in a domain, the measure scores are averaged to get the domain score. Then the weighting factor for each domain is applied to get the weighted domain score. The weighted domain scores are added to get the Total HAC score. For instance, in FY 2016, the Total HAC Score is computed by multiplying the Domain 1 score by 25% (domain

weighting) and the Domain 2 score by 75% (domain weighting), then adding those values to get the Total HAC score. The Total HAC Score is then ranked with other hospitals to identify the lowest-performing 25 percent that will be penalized.

## Payment Penalty

HAC payment penalty adjustment would occur after base DRG payment adjustments have been calculated and made for the VBP and Readmission Reduction programs. Payment adjustment would impact hospitals that rank among the lowest-performing 25 percent with regard to HACs. They would receive 99% of the amount of payment that would otherwise apply to discharges. This includes the base DRG and add-on payments of outliers, disproportionate share hospital (DSH), uncompensated care, and indirect medical education (IME).

## Eligibility

This program does not affect long-term acute care hospitals, cancer hospitals, children’s hospitals, inpatient rehab facilities, inpatient psychiatric facilities, or critical access hospitals. Claims for all Medicare FFS beneficiaries discharged during this period would be included.

Case Eligibility	Domain 1 - AHRQ Patient Safety Indicators 3 or more eligible discharges for at least 1 component indicator	Domain 2 - CDC NHSN Measures ≥1 predicted HAI event	Total HAC Score
Not enough cases to calculate a SIR	Measure score	No measure score	100% Domain 1
Not enough eligible discharges in claims data	No measure score	Measure score	100% Domain 2
Not enough eligible discharges in claims or enough cases to calculate a SIR	No measure score	No measure score	No calculation
Non-submission of Data	Domain 1	Domain 2	Total HAC Score
Hospital has an ICU waiver	Measure score	Data is not required	100% Domain 1
Hospital does not have an ICU waiver, but has no submitted data	Measure score	10 points	100% Domain 1

## Improvement Resources:

- [Collaborative Healthcare-Associated Infection Network \(CHAIN\)](#) The Collaborative Healthcare-Associated Infection Network (CHAIN) develops and helps carry out effective approaches for reducing and preventing healthcare-associated infections in Minnesota.
- [Healthcare-Associated Infections \(HAI\) Road Map](#) The Road Map to a Comprehensive Healthcare-Associated Infection (HAI) Prevention Program provides evidence-based recommendations and standards for Minnesota hospitals to develop comprehensive HAI prevention programs.
- [AHRQ PSI 90 Composite Measure Patient Safety for Selected Indicators](#)

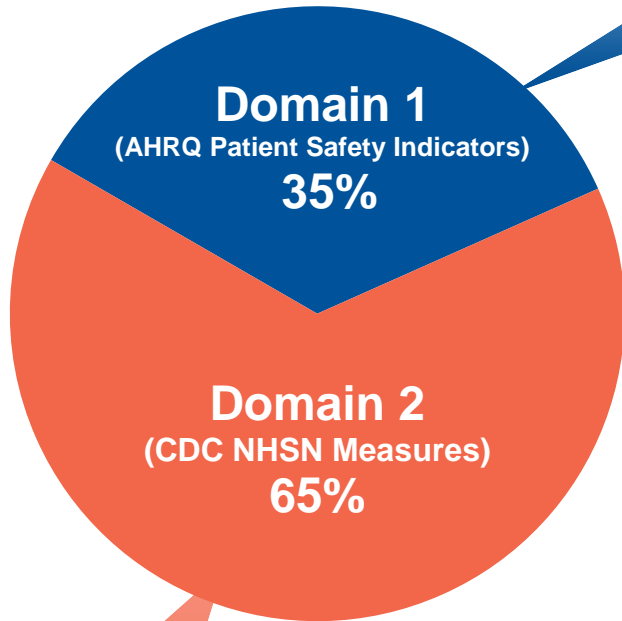
## Other Ongoing HAC programs:

- [CMS Hospital-Acquired Conditions present on admission reporting](#) For discharges occurring on or after October 1, 2008, hospitals will not receive additional payment for cases in which one of the listed conditions was not present on admission.
- [CMS nonpayment for “Never Events”](#) Guidance related to payment policies adopted by the Medicare program. for selected hospital-acquired conditions (HACs), on the National Quality Forum’s (NQF) list of Serious Reportable Events (commonly referred to as “Never Events”).
- [Hospital Compare HAC reporting \(scroll down to see HAC measures\)](#)

## For more information

If you have questions regarding the HAC Reductions Program, contact Stratis Health Program Manager, Vicki Olson, RN, MS, 952-853-8554, [volson@stratishealth.org](mailto:volson@stratishealth.org)

**FY 2015 HAC Reduction Program  
Domain Weighting and Measures**  
(Payment adjustment effective for discharges  
from October 1, 2014 –September 30, 2015)



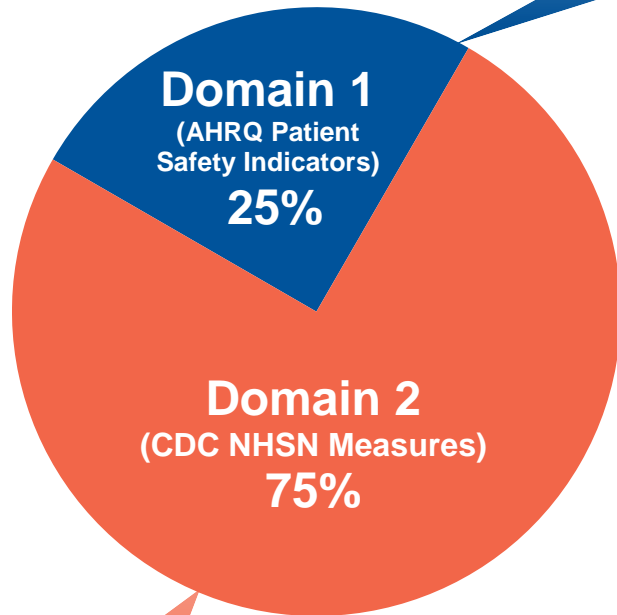
DOMAIN 1	
	Performance Period
	July 1, 2011 – June 30, 2013
AHRQ* PSI 90 Measure	Score 1-10
PSI 3 Pressure ulcer rate	
PSI 6 Iatrogenic pneumothorax rate	
PSI 7 Central venous catheter-related blood stream infection rate	
PSI 8 Postoperative hip fracture rate	
PSI 12 Postoperative pulmonary embolism (PE) or deep vein thrombosis rate (DVT)	
PSI 13 Postoperative sepsis rate	
PSI 14 Wound dehiscence rate	
PSI 15 Accidental puncture and laceration rate	

\*The Agency for Healthcare Research and Quality

DOMAIN 2	
	Performance Period
	January 1, 2012 – December 31, 2013
CDC NHSN* Measures	Average Score 1-10
CLABSI SIR rate	1-10
CAUTI SIR rate	1-10

\*Centers for Disease Control and Prevention National Healthcare Safety Network

**FY 2016 HAC Reduction Program  
Domain Weighting and Measures**  
(Payment adjustment effective for discharges  
from October 1, 2015 –September 30, 2016)



DOMAIN 1	
	Performance Period
	July 1, 2012 – June 30, 2014
AHRQ* PSI 90 Measure	Score 1-10
PSI 3 Pressure ulcer rate	
PSI 6 Iatrogenic pneumothorax rate	
PSI 7 Central venous catheter-related blood stream infection rate	
PSI 8 Postoperative hip fracture rate	
PSI 12 Postoperative pulmonary embolism (PE) or deep vein thrombosis rate (DVT)	
PSI 13 Postoperative sepsis rate	
PSI 14 Wound dehiscence rate	
PSI 15 Accidental puncture and laceration rate	

\*The Agency for Healthcare Research and Quality

DOMAIN 2	
	Performance Period
	January 1, 2013 – December 31, 2014
CDC NHSN* Measures	Average Score 1-10
CLABSI SIR rate	1-10
CAUTI SIR rate	1-10
SSI Colon Abdominal Hysterectomy	1-10†

\*Centers for Disease Control and Prevention National Healthcare Safety Network

†There will be one SSI measure score that will be a weighted average based on predicted infections for both procedures.

DOMAIN 2	
Future Measures for FY2017	
MRSA	
CDI	

The Lake Superior Quality Innovation Network serves Michigan, Minnesota, and Wisconsin, under the Centers for Medicare & Medicaid Services Quality Improvement Organization Program.

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