# Commercial Reimbursement Policy

<table>
<thead>
<tr>
<th>Subject:</th>
<th>Preventable Adverse Events</th>
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<tbody>
<tr>
<td>Policy Number:</td>
<td>C-10002</td>
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<tr>
<td>Policy Section:</td>
<td>Facilities</td>
</tr>
<tr>
<td>Last Approval Date:</td>
<td>11/27/17</td>
</tr>
<tr>
<td>Effective Date:</td>
<td>08/15/12</td>
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## Disclaimer

These policies serve as a guide to assist you in accurate claims submissions and to outline the basis for reimbursement if the service is covered by a member’s Anthem Blue Cross and Blue Shield (Anthem) benefit plan. The determination that a service, procedure, item, etc. is covered under a member’s benefit plan is not a determination that you will be reimbursed. Services must meet authorization and medical necessity guidelines appropriate to the procedure and diagnosis as well as to the member’s state of residence. You must follow proper billing and submission guidelines. You are required to use industry standard, compliant codes on all claim submissions. Services should be billed with Current Procedure Terminology (CPT) codes, Healthcare Common Procedure Coding System (HCPCS) codes and/or Revenue codes. The codes denote the services and/or procedures performed. The billed code(s) are required to be fully supported in the medical record and/or office notes. Unless otherwise noted within the policy, our policies apply to both participating and non-participating providers and facilities. This reimbursement policy also applies to Employer Group Retiree Medicare Advantage programs. This reimbursement policy also applies to Employer Group Retiree Medicare Advantage programs.

If appropriate coding/billing guidelines or current reimbursement policies are not followed, Anthem may:
- Reject or deny the claim
- Recover and/or recoup claim payment

These policies may be superseded by provider or State contract language, or State, Federal requirements or mandates. We strive to minimize delays in policy implementation. If there is a delay, we reserve the right to recoup and/or recover claims payment to the effective date, in accordance with the policy. Anthem reserves the right to review and revise these policies periodically when necessary. When there is an update we will publish the most current policy to the website.

## Policy

Anthem will not reimburse for Preventable Adverse events (PAE). PAEs include two components:
- Major surgical never events; and
- Hospital Acquired Conditions (HAC)

### I. Three (3) Major Surgical “Never Events”

The three major surgical “never events” (operating on the wrong patient, wrong body part, or performing the wrong surgery) are clearly preventable and are not considered to be medically necessary. Hospitals shall not bill Anthem, employers, other payers or covered members for any of these events performed in either the inpatient or outpatient setting.

### II. Hospital Acquired Conditions (HAC)

Anthem has adopted the current categories of conditions that were selected by CMS to be HACs. Any future categories and/or conditions recognized by CMS as a HAC shall be deemed adopted by Anthem.

When an HAC does occur, all inpatient acute care hospitals shall identify the charges and/or days which are the direct result of the HAC. Such charges and/or days shall be removed from the claim prior to submitting to Anthem.
for payment. Current and valid Present on Admission (POA) Indicators (as defined by CMS) must be populated on all inpatient acute care hospital claims. In no event shall the charges or days associated with the HAC be billed to Anthem, employers, other payers or members.

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**Exemptions**

There are no exemptions to this policy.

**Related Coding**

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**Policy History**

- **06/01/19**: Policy template updated
- **11/27/17**: Review approved: language update to replace covered “individuals” with “members”
- **08/15/12**: Reviewed approved: Minor administrative changes were made to the policy body such as other Blue Cross and Blue Shield Plans, ASO payers to indicate “other payers”, and added acronyms HAC and PAE to policy language.
- **06/14/11**: Annual review approved. No updates made to the policy
- **03/15/10**: Initial approval and effective date

**References and Research Materials**

This policy has been developed through consideration of the following:
- Centers for Medicare and Medicaid Services (CMS).

**Definitions**

**Preventable Adverse Events (PAE)**

- Major surgical never events which include:
  - Surgery performed on the wrong patient
  - Surgery performed on the wrong body part
  - Wrong surgery performed on a patient,
  - Or
  - Hospital Acquired Conditions (HAC)

**Related Policies and Materials**

None

**Use of Reimbursement Policy**

This policy is subject to federal and state laws, to the extent applicable, as well as the terms, conditions, and limitations of a member’s benefits on the date of service. Reimbursement Policy is constantly evolving and we reserve the right to review and update these policies periodically.

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