



**Date:** July 30, 2013

**To:** Type A/B Critical Access Hospitals

**From:** Don Ross, Manager  
 Medicaid Policy and Planning Section, DMAP

**Subject:** Changes to fee-for-service inpatient claim processing for Health Care-Acquired Conditions starting September 1, 2013

Inpatient hospital claims with dates of admission on or after September 1, 2013 will pay, deny or suspend based on the Present on Admission (POA) Indicator listed for each [Health Care-Acquired Condition](#) (HCAC) diagnosis, as shown in the table below.

| POA Indicator      | Description  | HAC covered?    |
|--------------------|--|-----------------|
| Y                  | Diagnosis was present at time of inpatient admission.  | Yes             |
| N                  | Diagnosis was not present at time of inpatient admission.  | Deny or suspend |
| U                  | Documentation insufficient to determine if condition was present at the time of inpatient admission. |                 |
| Missing or invalid | POA Indicator is blank or contains characters other than those listed above.                         |                 |

**What should you do?**

For inpatient claims with dates of admission on or after September 1, 2013, enter the POA indicator for all diagnoses on the claim, as shown in the following table.

|                                      | Where to enter diagnosis code   | Where to enter POA indicator       |
|--------------------------------------|---|------------------------------------|
| <b>EDI claims (837I – 2300 loop)</b> | Segment HI, data element HI01   | Segment K3, data element K301      |
| <b>Web claims (Diagnosis panel)</b>  | “Diagnosis” field   | “Present on Admission” field       |
| <b>Paper claims</b>                  | Unshaded area of FL 67 A-Q (“#####”)<br><br>Make sure to include a <b>leading space (see arrow)</b> before the code you are entering so that the POA indicator is linked to the code preceding it, not the one following it. | Shaded area of FL 67 A-Q (“Y/N/U”) |

## What you will see on the electronic or paper remittance advice

For claims that deny or suspend due to a missing, invalid, "N" or "U" POA indicator on a HCAC diagnosis:

- The 835 (Electronic Remittance Advice) and Provider Web Portal will list *Adjustment Reason Code 233 - Services/charges related to the treatment of a hospital-acquired condition or preventable medical error.*
- The paper remittance advice will list *Explanation of Benefit message 0633 - Invalid POA indicator specified on diagnosis.*

## Why is this happening?

Because Section 2702 of the Affordable Care Act prohibits federal reimbursement for any HCAC claims paid by state medical assistance programs, DMAP will no longer pay for such claims.

## Questions?

Thank you for your continued support of the Oregon Health Plan and the services you provide to our members.

If you have any questions about this announcement, contact the Provider Services Unit at [dmap.providerservices@state.or.us](mailto:dmap.providerservices@state.or.us) or call 1-800-336-6016, Monday through Thursday, 8:30 a.m. to 4:00 p.m. and Friday 10 a.m. to 4:00 p.m. (phone lines closed 11:30 a.m. to 12:30 p.m. daily).

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