

**Bureau of Managed Care
Managed Care Organizations
Policy / Procedures**

General Contract Monitoring

Provider Preventable Conditions Reporting

Effective January 1, 2024, all MCOs participating in the HealthChoice Illinois (HCI), Medicare-Medicaid Alignment Initiative (MMAI) and YouthCare Managed Care Programs shall begin capturing and reporting on a quarterly basis, Provider-Preventable Conditions, as set forth in 42 CFR §434.6(a)(12), §438.3(g) and §447.2642 and pursuant to the Managed Care Contract requirements:

- HCI Contract Requirements:
 - Section 5.29 – 5.29.9
 - Attachment XIII
- YouthCare Contract Requirements:
 - Section 5.29 – 5.29.9
 - Attachment XIII
- MMAI Contract Requirements:
 - Section 2.7

MCOs shall require, as a condition of payment, that Providers identify and report Provider-Preventable Conditions associated with claims for payment or with courses of treatment for which payment would otherwise be made. On a quarterly basis, the MCO shall report identified Provider-Preventable Conditions to the Department that are identified in the State Plan. The Department's State Plan requires the following:

XXXIX.Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

A. Health Care-Acquired Conditions

That State identifies the following Health Care-Acquired Conditions for a reduced payment under Section 4.19(A).

- Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DTV)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.
- The Department will deduct \$900 per claim payment for the inpatient service if the client acquires any of the conditions identified by Medicare, regardless of any other payment methodologies as defined in the Attachment.

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Effective July 1, 2014, an APR-DRG payment system will be implemented and will have the capabilities to identify Health Care-Acquired Conditions for non-payment.

B. Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section(s) 4.19-A.

- Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.
- Additional Other Provider-Preventable Conditions.

In compliance with 42 CFR 447.26(c), the State provides:

1. That no reduction in payment for a provider preventable condition will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.
2. That reductions in provider payment may be limited to the extent that the following apply:
 - a. The identified provider-preventable conditions would otherwise result in an increase in payment.
 - b. The State can reasonably isolate for nonpayment the portion of the payment directly related to treatment for, and related to, the provider-preventable conditions.
3. Assurance that non-payment for provider-preventable conditions does not prevent access to services for Medicaid beneficiaries.

Each MCO shall utilize their own template to report the Provider-Preventable Conditions to the Department. The initial report for Q1 of Calendar Year (CY) 2024 (Jan 1, 2024 through March 2024), will be due to the Department no later than the end of the month following the reporting period – April 30, 2024. Each quarterly report thereafter will be due to the Department no later than the end of the month following the reporting period:

- Q2 CY 2024 – due in SharePoint no later than July 31, 2024
- Q3 CY 2024 – due in SharePoint no later than October 31, 2024
- Q4 CY 2024 – due in SharePoint no later than January 31, 2025
- CY2025 reports will follow CY2024 reporting timeframes

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Each MCO shall upload the completed report into SharePoint as follows:

MCO Admin and Deliverables SharePoint Report Library	Type	Naming Convention	Template Provided
HCI	Administrative	[MCO initials] [CY#] [Q#] Provider-Preventable Conditions	No
MMAI	Administrative	MMAI [MCO initials] [CY#] [Q#] Provider-Preventable Conditions	No
YouthCare	Administrative	YouthCare [MCO initials] [CY#] [Q#] Provider-Preventable Conditions	No

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Action:
Contract Monitoring

Policy Originator
BMC Reporting Team

Policy Revisions

Revision Approved