



# Hospital Acquired Condition (HAC) Reduction Program

**IPPS Final Rule, Released August 2, 2013**

Link: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2013-18956.pdf>  
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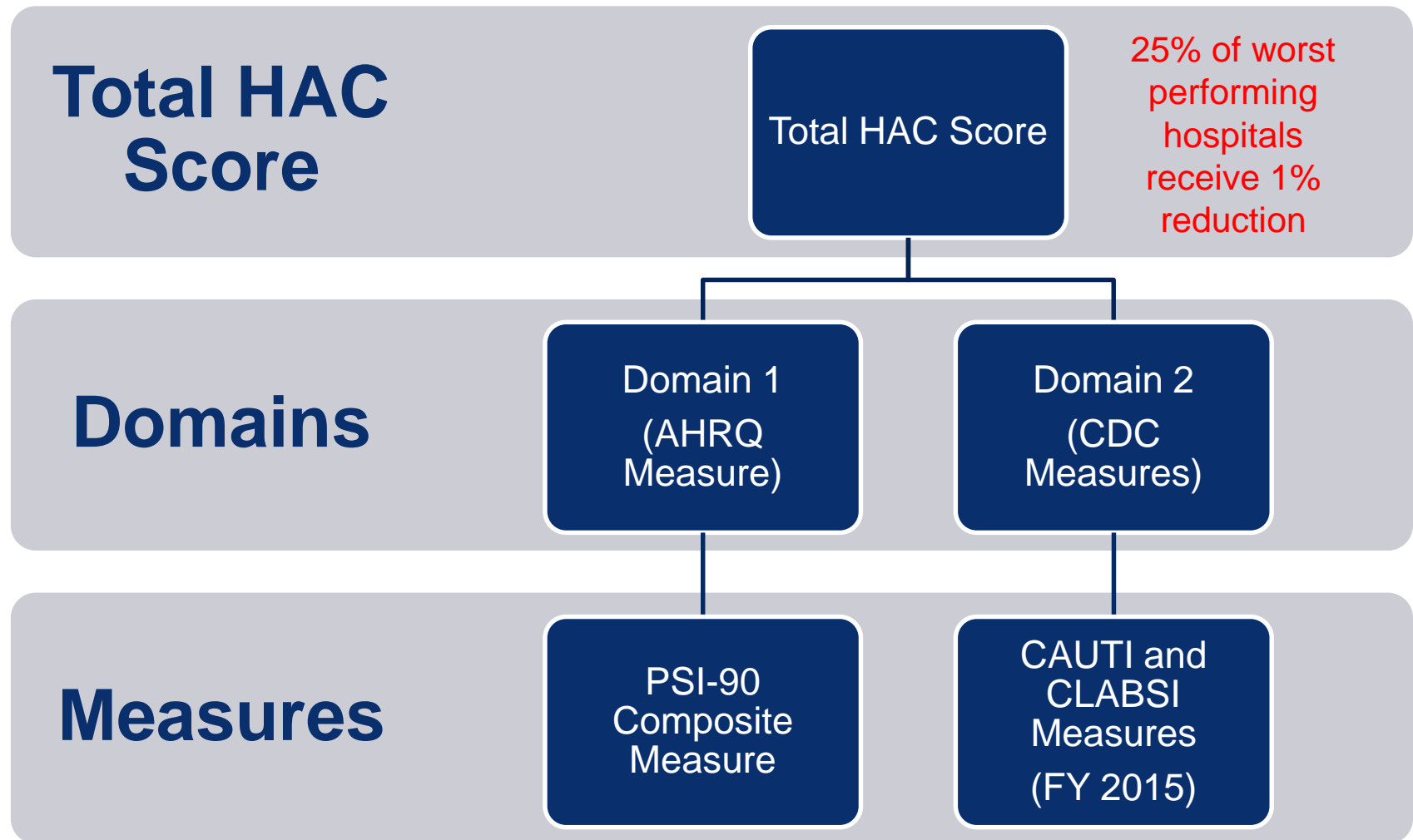
# HAC Program is Required by Law (Section 3008 of Affordable Care Act)

- HAC program to start in FY 2015
- HHS Secretary must establish a HAC payment adjustment (reduction of 1 percent) for all inpatient hospital payments to affected hospitals
  - Includes Indirect Medical Education (IME) and Disproportionate Share (DSH) payments
- Must apply to one quarter of all hospitals (those with lowest performance)
- This HAC program is in addition to the HAC Non-Payment Program
- Reductions will be applied after adjustments for the Value-Based Purchasing (VBP) and the Hospital Readmissions Reductions Programs

# Impact on Teaching Hospitals

- Teaching hospitals will be disproportionately affected by the HAC Reduction Program in two significant ways:
  - According to CMS, almost half (48.6%) of all teaching hospitals will be penalized. This is a slight decrease from the proposed rule, where 56.7% were estimated to be penalized
  - Institutions that are penalized will see their total payments reduced, including add-ons (IME and DSH). This is different from the Readmissions and VBP Programs, where the penalty only applies to base DRG payments. **CMS will discuss the methodology for applying the penalty in the FY 2015 IPPS proposed rule**

# HAC Reduction Program Framework



# HAC Domains and Measures

## Domain 1

(AHRQ Measure)

**Weighted 35%**

### AHRQ PSI-90 Composite

This measure consists of:

- PSI-3: pressure Ulcer
- PSI-6: iatrogenic pneumothorax
- PSI-7: central venous catheter-related blood stream infection rate.
- PSI-8: hip fracture rate
- PSI-12: postoperative PE/DVT rate
- PSI-13: sepsis rate
- PSI-14: wound dehiscence rate
- PSI-15: accidental puncture

## Domain 2

(CDC Measures)

**Weighted 65%**

### 2015 (2 measures):

CAUTI  
CLABSI

### 2016 (1 additional measure):

Surgical Site Infection (Colon Surgery and Abdominal Hysterectomy)

### 2017 (2 additional measures):

MRSA  
C Diff

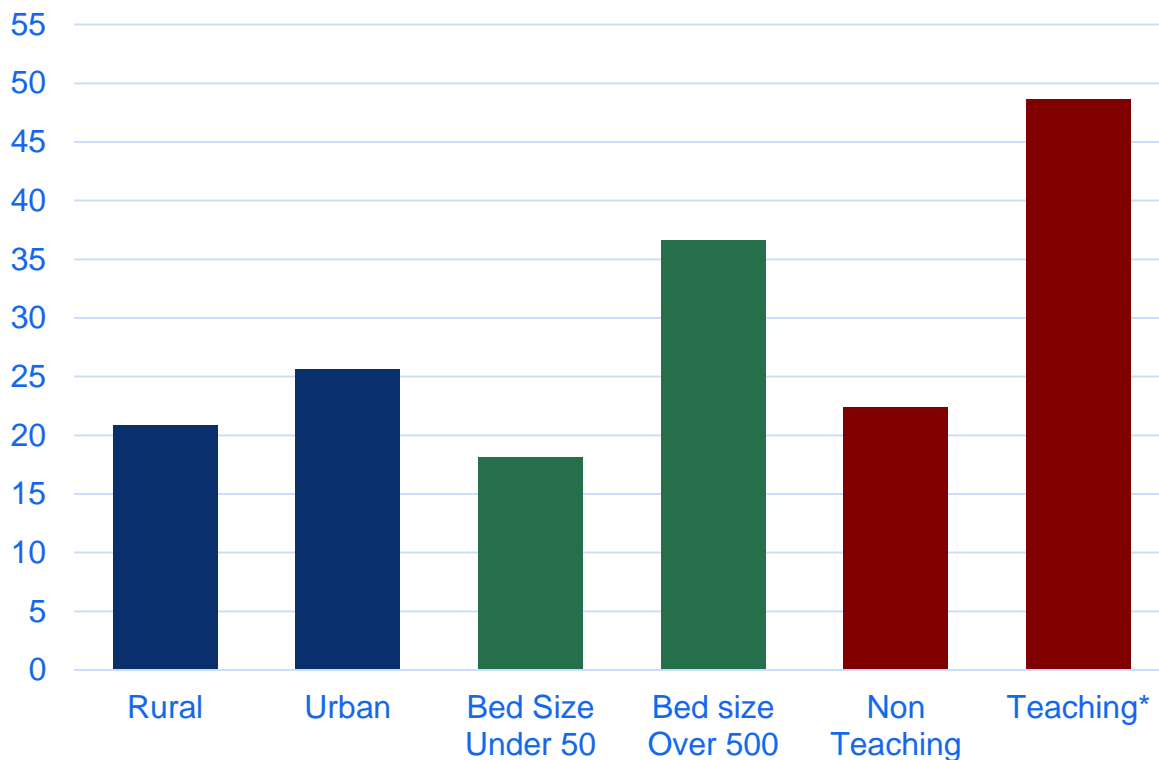


# HAC Measure Scoring for FY 2015

- Points will be assigned according to a hospital's performance on three measures (PSI-90 Composite, CLABSI, and CAUTI)
- The performance range for each of the measures will be divided into 10 deciles. All hospitals will receive between 1 and 10 points for each measure
- Higher score equals worse performance
- A hospital's total HAC score is calculated by:
  - Multiplying the Agency for Healthcare Research and Quality (AHRQ)'s PSI-90 Composite measure (Domain 1) score by 35 percent and the average of the two Centers for Disease Control (CDC) measure (Domain 2) scores by 65 percent
  - Summing the two weighted domain scores to determine the total HAC score
- The total HAC score will be used to determine the top quartile of affected hospitals

# Which Hospitals Will Be Affected Under the HAC Reduction Program?

Percent of Hospitals Penalized by Type for FY 2015



Source: FY 2014 IPPS Final Rule, Display Copy Pp 2156-2157

\*The CMS analysis identifies 276 teaching hospitals, which is low. CMS did not provide a rationale for how the 276 were selected.



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