

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Room 303-D
200 Independence Avenue, SW
Washington, DC 20201

Office of External Affairs

FACT SHEET

FOR IMMEDIATE RELEASE
August 1, 2007

Contact: CMS Office of External Affairs
(202) 690-6145

FY 2008 INPATIENT PROSPECTIVE PAYMENT SYSTEM FINAL RULE Improving the Quality of Hospital Care

On August 1, 2007, the Centers for Medicare & Medicaid Services (CMS) issued a final rule to update the hospital inpatient prospective payment system (IPPS) for fiscal year (FY) 2008. The final reforms in this rule continue the Agency's commitment to health care quality and to making health care more affordable and accessible for Medicare beneficiaries.

Hospital-Acquired Conditions

Section 5001(c) of the DRA requires hospitals to begin reporting on October 1, 2007 the secondary diagnoses that are present on the admission (POA) of patients. By October 1, 2007, the Secretary must select at least two conditions that are: (1) high cost or high volume or both; (2) assigned to a higher paying DRG when present as a secondary diagnosis; and (3) reasonably preventable through application of evidence-based guidelines. Beginning October 1, 2008, cases with these conditions would not be assigned to a higher paying DRG unless they were present on admission.

In the proposed rule, CMS considered 13 and proposed to select 6 conditions that would be subject to the provision. While there were some public comments that said CMS should only select serious preventable events (Object left in surgery, blood incompatibility and air embolism), CMS believes there is a significant public health interest in selecting more. Based on public comments, CMS decided not to select 1 of the original six conditions (septicemia) but added an additional 2 (falls and mediastinitis—a preventable surgical site infection that follows heart surgery). In addition, CMS selected catheter associated urinary tract infections, [pressure ulcers](#) and vascular catheter associated infections. CMS also indicated that it will work to create a code to identify ventilator associated pneumonia as well as determine when septicemia and deep vein thrombosis are not present on admission and preventable in the hospital so that these conditions may be included in the future.