



Aligned Payment Incentives for Hospitals to Eliminate Medical Errors

Every year, more than 200,000 of our loved ones will walk into a hospital but will never walk out. More people will die this year from preventable causes than those who die from lung, breast, and prostate cancer *combined*. A large percentage of every dollar in healthcare is spent addressing medical errors, making this is an estimated \$1.26 trillion issue. In the United States, millions of Medicare patients will suffer harm or die from a condition acquired during their time in a hospital.

CMS Billing

Despite the “Never Events” program, most of these preventable patient deaths and permanent harm events are outside the scope of the program and still being reimbursed by Centers for Medicare and Medicaid Services (CMS) and other third party payers. That is, hospitals and physicians are still billing and getting paid for sub-standard care that results in preventable patient deaths or serious preventable harm. Estimates put the cost to CMS for these preventable medical deaths and permanent harm events at tens of billions of dollars.

Policy Proposal

We believe by aligning reimbursement policy to provide incentives to hospitals that have implemented proven patient safety protocols, we can dramatically reform our healthcare system’s approach to quality with deference to the patient’s needs and the provider’s expertise.

Simply stated, CMS should not pay for any care provided, if the patient was harmed AND there was no process in place to avoid the harm. However, if a patient safety process was in place, but an error occurs, a provider would receive payment.

Draft Legislative Language

SECTION 1. REQUIREMENT TO IMPLEMENT CLINICALLY VALIDATED MITIGATION STRATEGY FOR CERTAIN HOSPITAL ACQUIRED CONDITIONS.

Section 1886(d)(4)(D)(i) of the Social Security Act (42 U.S.C. 1395ww(d)(4)(D)(i)) is amended—

- (1) by striking “(i) For discharges” and inserting “(i)(I) For discharges”;
- (2) in subclause (I), as added by paragraph (1), by inserting “and before October 1, 2016,” after “October 1, 2008,”; and
- (3) by adding at the end the following new subclauses:

“(II) For discharges occurring on or after October 1, 2018, no diagnosis-related group shall be assigned under this paragraph for a discharge described in clause (ii) based on the presence of a secondary diagnosis code described in clause (iv) unless a clinically validated mitigation strategy (as defined in subclause (III)) has been implemented to prevent that secondary diagnosis.

“(III) For purposes of subclause (II), the term ‘clinically validated mitigation strategy’ means [to be supplied].”

Background on the Foundation

The Patient Safety Movement is a global effort born out of a shared belief that we must do better and a commitment to reaching ZERO preventable patient deaths by 2020 (0X2020). We started this Movement to aggressively address this problem and to convene a critically important conversation between patients, healthcare professionals, medical technology companies, and policymakers that will help unite the healthcare ecosystem.