Medicare HAC Reduction Program

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Introduction

Hospital-Acquired Condition Reduction Program (HAC) was initially created to take 1% of payments from those health care institutions, where patients have experienced injuries and infections during their stay. This is a good way to make hospitals improve their conditions and prevent patient sufferings. Unfortunately, a financial punishment seems to be the most efficient way to make the hospitals understand their guilt and start taking measures in order to make inpatient stay at the health care institutions beneficial for all clients.

The reason for the introduction of this program were the data, which have shown that in 1999, the Institute of Medicine has caused death of 98,000 patients due to medical errors and unacceptable hospital treatment methods (Wolters Kluwer Law and Business Health Editorial, 2015, p. 870). The calculations revealed the astonishing truth. Eighteen types of medical errors cost $9.3 billion in excess charges and resulted in 32,600 deaths. Severe actions had to be taken in order to change the situation.

Framework and Scoring the HAC Program

Starting from the 1st of October, 2015, nearly 25% of hospitals will be involved in this program. It presupposes that they will provide the prospective payment system with 1% of their profits. The framework of the program is based on hospital performance. The evaluation will take into account three quality measures, which include PSI-90 (patient safety indicator), central line-associated blood stream infection and catheter-associated urinary tract infection (Wolters Kluwer Law and Business Health Editorial, 2015, p. 871).

The process of scoring will be divided into two domains. The first domain will be based on the PSI-90 indicator. Wolters Kluwer Law and Business Health Editorial provides the detailed explanation of the factors, which will affect this rate. They will include: “pressure ulcer rate, latrogenic pneumothorax rate, central venous catheter related blood

stream infection rate, postoperative hip fracture rate, postoperative embolism, postoperative sepsis rat, wound dehiscence rate, and finally accidental puncture and laceration rate" (p. 871). The second domain will include central line-associated blood stream infection and catheter-associated urinary tract infection. The program presupposes that the first domain will be accountable for 25% of the total score and the second domain – for 75% of the total score (according to the HAC fact sheet). The data will be obtained from the Inpatient Standard Analytic Files gathered from 2011 to 2013. The treatment of patients will be analyzed, comparing it to the diagnosis. It will help to understand whether the adverse health consequences were caused by individual human factors or by medical errors of the hospital staff. The methodology applied for this problem resembles the one, which was used for the HVB Purchasing Program. It means that there will be score gradation, from 1 to 10. The evaluation of hospitals will be based on this scale.

Every domain includes its individual factors. Each hospital will be estimated in accordance with them, and the total sum obtained in the end will be the total score of the hospital. The top 25% of hospitals of the domain score will be punished according to the regulations of this program.

The program also includes the part, which enables hospitals to review their score. Every hospital will be provided with cost-reporting period. After its ending, medical institutions will obtain the right for re-examination. Moreover, the class of hospital will be primarily significant, as the payment established by the program will take it into account.

Basic Timelines of HAC Reduction Program Implementation

According to the fact sheet of the HAC Reduction Program, it is planned that 24-month collection period will be applied to gather the data. In case of the first domain, the data will be taken from July 2011 up to June 2013. In case of the second domain, the situation is more complex. For the evaluation of the catheter-associated urinary tract infection and central

line-associated blood stream infection, the temporal period from 2012 up to 2013 will be chosen. For the analysis of surgical site infections, the period will be different; it will encompass the term that started in 2013 and ended in 2014. For the estimation of the MRSA infection, the data from the 2014-2015 collection periods will be analyzed; the same concerns the evaluation of the clostridium difficile infection.

The official start of the program is also different for the domains. The payment for the PSI-90 will take place starting from October 2015. It also concerns evaluation of the catheter-associated urinary tract infection and central line-associated blood stream infection. The payment for the surgical site infection will be provided in 2016. The assets for evaluation of the MRSA and clostridium difficile infection will be given in 2017.

Effect on Providers

Introduction of the HAC Reduction Program will definitely have an essential effect on providers. All the hospitals will be obliged to introduce certain implemented care criteria in order to prevent the occurrence of HACs (Dunphy, Winland-Brown, & Thomas, 2015, p.1253).

In general, it could be admitted that the program will be quite challenging for the hospitals. There will be a necessity to create certain trainings for the staff in order to reduce the incidence of medical errors. The hospitals will be also obliged to buy better equipment in order to improve the quality of inpatient stay. Moreover, hospital authorities will have to track every single step of their workers in order to detect possible medical errors. Despite the possibility of hospital performance improvement, the situation is promising to be quite stressful for health care employees.

The program will assist hospital authorities to understand the necessity of staff increase. The influx of patients and small number of health care professionals make the treatment process less effective. However, it is not the fault of doctors, as they are simply

unable to work with such a large number of patients at once. The number of health care professionals should be expanded in order to omit medical errors and their negative consequences. This program produces great effect because it deals with the financial side of the issue, and financial performance of the institution is often perceived as a measure of its success (Cleverley, Song, & Cleverley, 2011, p. 245)

While discussing the drawbacks of this program, the lack of objectivity should be mentioned. In some cases, health care employees, expected to prevent certain health conditions of their patients, cannot act reasonably. The manual of the Congressional Budget Office (2008) discusses this situation and states:

"Hospitals in those situations would be denied payment for treating those conditions, which could lower revenues for hospitals and potentially strain the budgets" (p. 67).

For this reason, the hospital should make certain amendments to this program. It must create certain measures in order to differentiate between patients.

Effects on Patients

The implementation of this program will definitely have positive effects on patients' treatment. The fear of financial punishment will make hospital authorities more cautious to the actions of their employees. It means that it will definitely observe the treatment methods applied by the doctors and nurses.

Patients will feel more secure. Constant examination and evaluation of the diagnosis and treatment methods will help to make the hospital stay more satisfactory for the patients. This program will give them a chance to obtain highly professional and qualified treatment.

Despite the understandable challenges, which it might cause to the medical workers, it will turn out to be beneficial because it will increase the quality of care. Currently, the analysis of medical errors shows its detrimental consequences. The patients will gain certain advantages after the implementation of HAC Reduction Program in the form of:

- Comprehensive medical observation
- Increased attention to the symptoms
- Accurate analysis of the symptoms and correct diagnosis
- Efficient choice of treatment method
- Effective hospital care and accurate drug administration.

Unfortunately, due to the high number of patients the doctors have to examine every single day, they are simply unable to provide a decent amount of attention to each of them. However, this program will increase the awareness of hospital authorities about the existing problems.

Conclusion

It should be assumed that HAC Reduction Program consists in the measures taken by Medicare aimed at improving the performance of hospitals and preventing medical errors. In general, the idea is good because the statistics shows that thousands of patients die at hospitals due to mistakes made by health care professionals. This program takes rigid actions in order to alter the situation. It emphasizes the economic side of the issue, and punishes the hospitals with the highest HAC score with monetary fines. It simply excludes 1% of the hospitals' profits due to their failure to show high-quality health care performance. Despite the fact that creation of this program was a sound idea, its implementation is a long and complex process. Currently, on October 1, the payment for the PSI-90 will take place. The analysis of the potential effects, which the program will have on health care providers and patients, shows that it can create a number of challenges for the hospitals. They will be obliged to monitor the performance of their employees. In case of patients, the situation is completely different. This program will be beneficial for them, as it will provide the possibility to obtain qualified professional care, making them feel more secure within the hospital setting.

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