

**State of Wyoming, Department of Health  
 EqualityCare Inpatient Reimbursement  
 Hospital-Acquired Condition Payment Adjustment Process**

1. At the end of each quarter, identify inpatient claims from the prior quarter for non-exempt hospitals with non-principle diagnosis codes falling into one of the five Hospital-Acquired Condition (HAC) categories.
2. Request POA indicator information from the hospitals for each of the claims identified in Step 1.
3. Review POA indicator information submitted by the hospitals and, based on the indicator, take the following actions:

<b>POA Indicator</b>	<b>Definition</b>	<b>Action</b>
Y	Diagnosis was present at time of inpatient admission	Claim is not a HAC. Drop from HAC adjustment consideration.
N	Diagnosis was not present at time of inpatient admission.	Claim is a HAC. Request adjusted claim from the hospital (see Step 4).
U	Documentation insufficient to determine if condition was present at the time of inpatient admission.	Request medical records related to the claim to determine appropriateness of the "U" indicator assignment (see Step 6).
W	Clinically undetermined. Provider unable to clinically determine whether the condition was present at the time of inpatient admission.	Claim cannot be confirmed as a HAC. Drop from HAC adjustment consideration.
1	Exempt from POA reporting.	Provider is not subject to HAC payment policy. Drop claim from adjustment consideration.

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4. For all claims with a POA indicator of “N,” request that the hospital submit an adjusted claim which identifies all charges associated with the HAC as “non-covered” and all charges not associated with the HAC as “covered.”
5. Determine the LOC assignment and outlier payment for each of the adjusted claims received in Step 4. If the total payment is less than what was originally paid for the claim, then request a refund from the hospital for the difference. Wyoming Medicaid (ACS) will maintain a listing of these claims, including the submitted charges and payment, and the adjusted charges and payment.
6. Request medical records for all claims identified in Step 3 with a POA indicator of “U” and for a sample of claims with a POA indicator of “Y” (no more than five from each hospital).
  - a. For claims with a POA indicator of “Y,” review medical record documentation to validate the accuracy of the assignment of the “Y” indicator by verifying that the condition was present on admission. If the review determines that the indicator should be “N,” then proceed to Steps 4 and 5. Further, based on the results of the review, Wyoming Medicaid may request additional claims.
  - b. For claims with a POA indicator of “U,” review the medical record to determine whether the use of the “U” indicator is appropriate. If the review determines that the indicator should be “N,” then proceed to Steps 4 and 5.
  - c. Wyoming Medicaid will monitor the results and increase or decrease the sample size in each subsequent quarter, as necessary. Wyoming Medicaid may also drop hospitals from future sampling, depending on the results of the first year of reviews.