

CMS Hospital-Acquired Conditions (HAC) Reduction Program Results for FY2016

The Center for Medicare and Medicaid Services (CMS) released the results by hospital of the Hospital-Acquired Condition (HAC) Reduction Program. The Patient Protection and Affordable Care Act (ACA) established this program to provide an incentive for applicable hospitals to reduce HACs. Effective beginning Fiscal Year (FY) 2015 (discharges beginning on October 1, 2014), the HAC Reduction Program requires the adjustment of payments to applicable hospitals that rank in the worst-performing quartile of the risk-adjusted HAC quality measures. These hospitals will have their payments reduced to 99 percent of what would otherwise have been paid for such discharges.

In FY 2016, 758 out of 3,308 hospitals subject to the HAC Reduction Program are in the worst performing quartile and will have a one percent payment reduction applied to all Medicare discharges occurring between October 1, 2015 and September 30, 2016. In FY 2015, 724 hospitals were subject to a payment reduction resulting in a savings of \$364 million.

The FY2016 HAC Reduction Program scores for hospitals can be found on the Hospital Compare Website. <https://www.medicare.gov/hospitalcompare/HAC-reduction-program.html>

The list of hospitals subject to the payment adjustments are posted at <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/HAC-Reduction-Program.html>

For the FY 2016 HAC Reduction Program, the worst performing quartile is identified by calculating a Total HAC score based on the hospital's performance on 4 quality measures; the Agency for Healthcare Research Quality (AHRQ) Patient Safety Indicator (PSI) 90 Composite, and the Centers for Disease Control and Prevention (CDC) National Healthcare Safety Network (NHSN) Central-line Associated Bloodstream Infection (CLABSI), Catheter Associated Urinary Tract Infection (CAUTI), and Surgical Site Infection (SSI) (colon and hysterectomy) measures. Hospitals with a Total HAC score above the 75th percentile of the Total HAC Score distribution may be subject to payment reduction. In the FY 2016 HAC Reduction Program, hospitals with a Total HAC Score greater than 6.75 are subject to a payment reduction.