

U.S. House and Senate Notification
Wednesday, June 1, 2011

To: Congressional Health Staff

From: Amy Hall, Director, Office of Legislation
Centers for Medicare & Medicaid Services

Re: CMS Releases Final Rule on Medicaid Payment Adjustment for Provider-Preventable Conditions

Today, the Centers for Medicare & Medicaid Services (CMS) put on display at the *Federal Register* the final rule “Medicaid Program; Payment Adjustment for Provider-Preventable Conditions Including Health Care-Acquired Conditions” (CMS-2400-F). This final rule implements section 2702 of the Affordable Care Act, which requires the Secretary to issue regulations prohibiting Federal Medicaid payments to States for certain preventable health care-acquired conditions. The final rule will be effective July 1, 2011, but gives States the option to implement between its effective date and July 1, 2012.

In general, the final rule would require States to, at a minimum, apply the Medicare Hospital Acquired Condition (HAC) standard while providing States the flexibility to identify for nonpayment other provider-preventable conditions inside and outside the inpatient hospital setting. The provisions of the new rule will better align Medicare and Medicaid payment policy, while giving States flexibility to expand the list of preventable conditions Medicaid will no longer pay for.

The final rule can be viewed at http://www.ofr.gov/OFRUpload/OFRData/2011-13819_PI.pdf. The rule will be published in the Federal Register on June 6th, where it can then be found by going to the 2011 Federal Register Contents website (http://www.access.gpo.gov/su_docs/fedreg/frcont11.html) and clicking on the publication date of June 6, 2011.

A copy of the CMS press release will be available at:
<https://www.cms.gov/apps/media/press/release.asp?Counter=3975>.

Please contact the CMS Office of Legislation with any questions.