Payment Policy: Never Paid Events

Reference Number: CC.PP.017
Product Types: ALL
Effective Date: 01/01/2013
Last Review Date: 03/06/2024

Coding Implications
Revision Log

See Important Reminder at the end of this policy for important regulatory and legal information.

Policy Overview

According to CMS, "The National Quality Forum (NQF) defines Never Events also known as Serious Reportable Events as errors in medical care that are of concern to both the public and health care professionals and providers, clearly identifiable and measurable (and thus feasible to include in a reporting system), and of a nature such that risk of occurrence is significantly influenced by the policies and procedures of the health care organization."
Services associated with Never Events are not reimbursed. Providers are also not permitted to bill members for never events.
To be included on NQF's list of "never events", an event must be characterized as:

- Unambiguous - clearly identifiable and measurable, and thus feasible to include in a reporting system.
- Usually preventable - recognizing that some events are not always avoidable, given the complexity of health care.
- Serious - resulting in death or loss of a body part, disability, or more than transient loss of a body function; and any of the following:
    - Adverse
    - Indicative of a problem in a health care facility's safety system
    - Important for public credibility or public accountability

Services and procedures associated with never events include but are not limited to:

1. Surgical or Invasive Procedure Events

- Surgery or other invasive procedure performed on the wrong site.
- Surgery or other invasive procedure performed on the wrong patient.
- Wrong surgical or other invasive procedure performed on a patient.
- Unintended retention of a foreign object in a patient after surgery or other invasive procedure.
- Intraoperative or immediately post-operative/post-procedure death in an ASA Class 1 patient.

2. Product or Device Events

- Patient death or serious injury associated with the use of contaminated drugs, devices, or biologics provided by the healthcare setting.
- Patient death or serious injury associated with the use or function of a device in patient care, in which the device is used or functions other than as intended.
- Patient death or serious injury associated with intravascular air embolism that occurs while being cared for in a healthcare setting.

3. Patient Protection Events

- Discharge or release of a patient/resident of any age, who is unable to make decisions, to

other than an authorized person.
- Patient death or serious injury associated with patient elopement (disappearance).
- Patient suicide, attempted suicide, or self-harm that results in serious injury, while being cared for in a healthcare setting.

4. Care Management Events

- Patient death or serious injury associated with a medication error (e.g., errors involving the wrong drug, wrong dose, wrong patient, wrong time, wrong rate, wrong preparation, or wrong route of administration).
- Patient death or serious injury associated with unsafe administration of blood products.
- Maternal death or serious injury associated with labor or delivery in a low-risk pregnancy while being cared for in a healthcare setting.
- Death or serious injury of a neonate associated with labor or delivery in a low-risk pregnancy.
- Patient death or serious injury associated with a fall while being cared for in a healthcare setting.
- Any Stage 3, Stage 4, and unstageable pressure ulcers acquired after admission/presentation to a healthcare setting.
- Artificial insemination with the wrong donor sperm or wrong egg.
- Patient death or serious injury resulting from the irretrievable loss of an irreplaceable biological specimen.
- Patient death or serious injury resulting from failure to follow up or communicate laboratory, pathology, or radiology test results.

5. Environmental Events

- Patient or staff death or serious injury associated with an electric shock in the course of a patient care process in a healthcare setting.
- Any incident in which systems designated for oxygen or other gas to be delivered to a patient contains no gas, the wrong gas, or are contaminated by toxic substances.
- Patient or staff death or serious injury associated with a burn incurred from any source in the course of a patient care process in a healthcare setting.
- Patient death or serious injury associated with the use of physical restraints or bedrails while being cared for in a healthcare setting.

6. Radiologic Events

- Death or serious injury of a patient or staff associated with the introduction of a metallic object into the MRI area.

7. Potential Criminal Events

- Any instance of care ordered by or provided by someone impersonating a physician, nurse, pharmacist, or other licensed healthcare provider.
- Abduction of a patient/resident of any age.
- Sexual abuse/assault on a patient or staff member within or on the grounds of a healthcare setting.
- Death or serious injury of a patient or staff member resulting from a physical assault (i.e., battery) that occurs within or on the grounds of a healthcare setting.

Application
This policy applies to physicians and hospitals.

Reimbursement
Code auditing software flags all claim lines billed with modifiers -PA, -PB, or -PC and denies these services. Providers are reimbursed for follow up care that is required as a result of a never event only when they are not the physician responsible for the never event.

Rationale for Edit
Never events are serious adverse events that in most cases are preventable and should never occur. These events are of concern to both the public and healthcare providers. CMS has determined that these events are non-reimbursable. Monitoring these occurrences is intended to encourage hospitals to improve patient safety and to implement standardized protocols.

Documentation Requirements
CMS guidelines require Outpatient, Ambulatory Surgical Centers, and Practitioners to use the following modifiers to identify medical mistakes or errors: **PA** (Surgery Wrong Body Part), **PB** (Surgery Wrong Patient) and **PC** (Wrong Surgery on Patient).

Coding and Modifier Information
This payment policy references Current Procedural Terminology (CPT®). CPT® is a registered trademark of the American Medical Association. All CPT® codes and descriptions are copyrighted 2024, American Medical Association. All rights reserved. CPT codes and CPT descriptions are from current manuals and those included herein are not intended to be all-inclusive and are included for informational purposes only. Codes referenced in this payment policy are for informational purposes only. Inclusion or exclusion of any codes does not guarantee coverage. Providers should reference the most up-to-date sources of professional coding guidance prior to the submission of claims for reimbursement of covered services.

Modifier	Descriptor
-PA	Surgery or Other Invasive Procedure on Wrong Body Part
-PB	Surgery or Other Invasive Procedure on Wrong Patient
-PC	Wrong Surgery or Other Invasive Procedure on Patient

References

- *Centers for Medicare and Medicaid Services, CMS Manual System and other CMS publications and services*

- *NQF List of Serious Reportable Events* https://www.qualityforum.org/Topics/SREs/List_of_SREs.aspx#sre1
- *NQF Serious Reportable Events in Healthcare 2011* https://www.qualityforum.org/Publications/2011/12/Serious_Reportable_Events_in_Healthcare_2011.aspx
- *CMS SMDL #08-004* https://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/smd073108.pdf
- *CMS Improves patient safety for Medicare and Medicaid by addressing never events.* https://www.cms.gov/newsroom/fact-sheets/cms-improves-patient-safety-medicare-and-medicaid-addressing-never-events

Revision History	
1/1/2016	Policy documented for existing payment edit
8/4/2016	Added clarifying language to further explain the criteria for 'Never Events' and added clarifying language to more narrowly define the circumstances surrounding "maternal deaths and serious disability associated with low risk pregnancies'. (Policy Overview)
02/27/2017	Converted to new template and conducted annual review.
05/19/2017	Added Modifier Table
03/05/2018	Reviewed and Revised Policy, validated modifiers
03/05/2019	Conducted review, verified codes, updated policy
11/01/2019	Annual Review completed
11/01/2020	Annual Review completed
11/30/2021	Annual Review completed; no major updates required
12/01/2022	Annual Review completed; no major updates required
11/06/2023	Annual Review completed, added Serious Reporting Events wording
03/06/2024	Annual review completed; dates updated, references reviewed, and I added the link for the reference. Added all the NQF Never Events.

Important Reminder

For the purposes of this payment policy, "Health Plan" means a health plan that has adopted this payment policy and that is operated or administered, in whole or in part, by Centene Management Company, LLC, or any other of such health plan's affiliates, as applicable.

The purpose of this payment policy is to provide a guide to payment, which is a component of the guidelines used to assist in making coverage and payment determinations and administering benefits. It does not constitute a contract or guarantee regarding payment or results. Coverage and payment determinations and the administration of benefits are subject to all terms, conditions, exclusions, and limitations of the coverage documents (e.g., evidence of coverage,

certificate of coverage, policy, contract of insurance, etc.), as well as to state and federal requirements and applicable plan-level administrative policies and procedures.

This payment policy is effective as of the date determined by Health Plan. The date of posting may not be the effective date of this payment policy. This payment policy may be subject to applicable legal and regulatory requirements relating to provider notification. If there is a discrepancy between the effective date of this payment policy and any applicable legal or regulatory requirement, the requirements of law and regulation shall govern. Health Plan retains the right to change, amend or withdraw this payment policy, and additional payment policies may be developed and adopted as needed, at any time.

This payment policy does not constitute medical advice, medical treatment, or medical care. It is not intended to dictate to providers how to practice medicine. Providers are expected to exercise professional medical judgment in providing the most appropriate care and are solely responsible for the medical advice and treatment of members. This payment policy is not intended to recommend treatment for members. Members should consult with their treating physician in connection with diagnosis and treatment decisions.

Providers referred to in this policy are independent contractors who exercise independent judgment and over whom Health Plan has no control or right of control. Providers are not agents or employees of Health Plan.

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Note: For Medicaid members, when state Medicaid coverage provisions conflict with the coverage provisions in this payment policy, state Medicaid coverage provisions take precedence. Please refer to the state Medicaid manual for any coverage provisions pertaining to this payment policy.

Note: For Medicare members, to ensure consistency with the Medicare National Coverage Determinations (NCD) and Local Coverage Determinations (LCD), all applicable NCDs and LCDs should be reviewed prior to applying the criteria set forth in this payment policy. Refer to the CMS website at http://www.cms.gov for additional information.

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