

Payment Policy: Never Paid Events

Reference Number: PA.CC.PP.017

Product Types: ALL

Effective Date: 11/1/2019

Last Review Date:

[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 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.”

The Health Plan will not reimburse for services associated with Never Events. Moreover, providers are not permitted to bill members for never events.

To be included on NQF’s list of “never events”, an event had to have been 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 and/or,
 - Indicative of a problem in a health care facility’s safety systems and/or,
 - Important for public credibility or public accountability.

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

- Surgery performed on the wrong body part
- Surgery performed on the wrong patient
- Wrong surgical procedure performed on a patient
- Intraoperative or immediately post-operative death in an ASA Class I patient
- Patient death or serious disability associated with the use of contaminated drugs, devices, or biologics provided by the healthcare facility
- Patient death or serious disability 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 suicide, or attempted suicide resulting in serious disability, while being cared for in a healthcare facility
- Maternal death or serious disability associated with labor or delivery in a low-risk pregnancy while being cared for in a health care facility, including events that occur within 42 days post-delivery and excluding deaths from pulmonary or amniotic fluid embolism, acute fatty liver of pregnancy, or cardiomyopathy
- Death or serious disability (kernicterus) associated with failure to identify and treat hyperbilirubinemia in neonates
- Patient death or serious disability due to spinal manipulative therapy

- Any incident in which a line designated for oxygen or other gas to be delivered to a patient contains the wrong gas or is contaminated by toxic substances
- Patient death or serious disability associated with the use of restraints or bedrails while being cared for in a healthcare facility

Application

This policy applies to physicians and hospitals.

Reimbursement

The Health Plan’s clinical code auditing software will flag all provider claims billed with modifiers **-PA, -PB, or -PC**. These services will deny when billed.

The Health Plan will reimburse physicians 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.

Utilization

Rationale for Edit

Never events are serious adverse events that in the majority of cases are preventable and should never occur in healthcare. These events are of concern to both the public and healthcare providers. CMS had determined 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 that these errors. **PA**: Surgery Wrong Body Part, **PB**: Surgery Wrong Patient, or **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 2018, 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

Related Documents or Resources

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

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
11/1/2019	New PHW policy created

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 PA Health & Wellness, 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

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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.

This payment policy is the property of PA Health & Wellness. Unauthorized copying, use, and distribution of this payment policy or any information contained herein are strictly prohibited. Providers, members and their representatives are bound to the terms and conditions expressed herein through the terms of their contracts. Where no such contract exists, providers, members and their representatives agree to be bound by such terms and conditions by providing services to members and/or submitting claims for payment for such services.

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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