

Payment Policy: Never Paid Events

Reference Number: LA.PP.017

Effective Date: 08/2020

Last Review Date: 07/2026

[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.”

Louisiana Healthcare Connections 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 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 systems
 - 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 body part
- 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 death in an ASA Class I patient

2. Product or Device Events

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

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 contain 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.

Provider Preventable Conditions

Louisiana Healthcare Connections is required to implement procedures for non-payment for these events when applicable to its enrollees.

PPCs are defined into two separate categories:

- Health care-acquired condition (HCAC), meaning a condition in any inpatient hospital setting and
- Other provider preventable condition (OPPC), meaning a condition occurring in any health care setting.

Health Care-Acquired Conditions

LHCC require the Present-on-Admission (POA) indicators as listed below with all reported diagnosis codes.

POA is defined as present at the time the order for inpatient admission occurs. Conditions that develop during an outpatient encounter, including emergency department, observation or outpatient surgery, are considered as present on admission.

NOTE: Louisiana Medicaid considers HACs as identified by Medicare, other than deep vein thrombosis (DVT)/pulmonary embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients. It is the responsibility of LHCC to determine if the HCAC was the cause for any additional days added to the length of stay.

Present on Admission Reporting Options:

Code	Definition
Y	Present at the time of inpatient admission
N	Not present at the time of inpatient admission
U	Documentation is insufficient to determine if condition is present on admission
W	Provider is unable to clinically determine whether condition was present on admission or not

Application

This policy applies to physicians and hospitals.

Reimbursement

Louisiana Healthcare Connections code auditing software flags all provider claims billed with modifiers -PA, -PB, or -PC. These services deny when billed.

The Health Plan will not reimburse for any days that are attributable to the Other Provider Preventable Conditions (OPPC) or services related to HCAC

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 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 2025, 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.

In the event an outpatient surgery is performed erroneously, as described below, the appropriate modifiers to all lines related to the erroneous surgery/procedure are:

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

Louisiana Healthcare Connections are prohibited from reimbursing providers for the following OPPCs in any setting:

- Wrong surgical or other invasive procedure performed on a patient;
- Surgical or other invasive procedure performed on the wrong body part; or
- Surgical or other invasive procedure performed on the wrong patient.

Louisiana Healthcare Connections shall not be reimbursed for any days that are attributable to the OPPC. The diagnosis codes that are utilized for the three OPPCs listed above are included below.

ICD-10-CM Code	Description
Y65.51	Performance of wrong operation (procedure) on correct patient (existing code)
Y65.52	Performance of operation (procedure) on patient not scheduled for surgery
Y65.53	Performance of correct operation (procedure) on wrong side/body part

References

- Centers for Medicare and Medicaid Services, CMS Manual System and other CMS publications and services
 - National Quality Forum, 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://digitalassets.jointcommission.org/api/public/content/4534bbaace4f4bd280c2054765f37f4b?v=a60f8f9a>
 - Listing of Hospital Acquired Conditions (HACs) and associated diagnoses:
<https://www.cms.gov/medicare/payment/fee-for-service-providers/hospital-acquired-conditions-hac/icd-10>
 - Centers for Medicare & Medicaid Services, *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-medicare-addressing-never-events>

Revision History	Revision Date	Approval Date	Effective Date
Converted corporate to local policy.	08/15/20		
Annual Review; Removed clinical and added payment policy in “Important Reminder” section	08/26/22		
Annual Review; Copyright date updated.	07/03/23	9/13/23	
Annual review; dates updated, references reviewed, and links added for the reference. Diagnosis codes added. Added language from the MCO manual.	06/24, 8/22/24	10/23/24	11/22/24
Annual review; added the meaning of HCAC & OPPC; added additional information for Other Provider Preventable Conditions (OPPC) that will not be reimbursed; updated references and dates	7/25	9/30/25	10/30/25
Annual review; added services associated with never-paid events, updated reference links	7/26	9/30/26	10/30/26

Important Reminder

This payment policy has been developed by appropriately experienced and licensed health care professionals based on a review and consideration of currently available generally accepted standards of medical practice; peer-reviewed medical literature; government agency/program approval status; evidence-based guidelines and positions of leading national health professional organizations; views of physicians practicing in relevant clinical areas affected by this payment policy; and other available clinical information. LHCC makes no representations and accepts no liability with respect to the content of any external information used or relied upon in developing this payment policy. This payment policy is consistent with standards of medical practice current at the time that this payment policy was approved.

The purpose of this payment policy is to provide a guide to medical necessity, which is a component of the guidelines used to assist in making coverage decisions and administering benefits. It does not constitute a contract or guarantee regarding payment or results. Coverage decisions 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 LHCC administrative policies and procedures.

This payment policy is effective as of the date determined by LHCC. 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. LHCC retains the right to change, amend or withdraw this payment policy, and additional clinical 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 payment policy are independent contractors who exercise independent judgment and over whom LHCC has no control or right of control. Providers are not agents or employees of LHCC.

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