

Medicare's policy not to pay for treating hospital-acquired conditions: the impact.

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McNair PD, Luft HS, Bindman AB. Medicare's policy not to pay for treating hospital-acquired conditions: the impact. Health Aff (Millwood). 2009;28(5):1485-1493. doi:10.1377/hlthaff.28.5.1485.

<https://psnet.ahrq.gov/issue/medicares-policy-not-pay-treating-hospital-acquired-conditions-impact>

A 2008 [policy change](#) by the Centers for Medicare and Medicaid Services (CMS) eliminated reimbursement for some preventable errors, including certain [never events](#) and [hospital-acquired infections](#). This policy has catalyzed efforts to [realign payment incentives](#) and patient safety efforts, despite the fact that, as this article demonstrates, the actual financial effects of the policy are likely minimal. Based on California hospital discharge data, the authors estimate that the total nationwide Medicare payment reductions would amount to only \$1.1 million yearly. The authors suggest several methods for strengthening the policy, including denying payments for [readmissions](#) associated with hospital-acquired complications. The implications of the CMS "no pay for errors" policy are further discussed in an AHRQ WebM&M [perspective](#).