

Deficit Reduction Act (DRA) Hospital-Acquired Condition (HAC) Measures Methodology

Which hospitals are included in the DRA HAC calculations?

Subsection (d) hospitals (that is, general acute care hospitals paid under the Inpatient Prospective Payment System, as well as Maryland hospitals), must submit complete Present on Admission (POA) Indicator coding to CMS. Although other types of hospitals can report these codes, CMS calculates the Publicly Reported DRA HAC Measures only for subsection (d) hospitals, including Maryland hospitals. This is because the DRA HAC measures depend on complete and accurate coding of POA Indicator fields.

CMS's webpage on HAC POA Indicators provides a list of hospital types exempt from the DRA HAC payment provision: <https://www.cms.gov/medicare/payment/fee-for-service-providers/hospital-acquired-conditions-hac/affected-hospitals>.

How does CMS calculate the DRA HAC measures?

CMS used claims for Medicare fee-for-service (FFS) discharges between July 1, 2022, and June 30, 2024, to calculate the 2025 Publicly Reported DRA HAC Measures. Only final action claims are used; pre-review claims and informational claims are not considered.

CMS reports the DRA HAC measures as observed rates (per 1,000 discharges). CMS divides the count of observed HAC occurrences identified at a hospital (numerator) by the number of eligible discharges at that hospital (denominator) and multiplies by 1,000.

Eligible discharges in the DRA HAC denominator include claims for Part A Medicare FFS discharges, sometimes called “traditional” Medicare or “original” Medicare, during the discharge period. That includes patients of all ages. CMS excludes discharges of patients who are enrolled in Medicare managed care plans (that is, Medicare Advantage). This exclusion is determined by checking the patient's enrollment status during the month of hospital admission. If a patient is enrolled in managed care during that month, the discharge will not be included in the calculation. Additionally, patients who are treated only in the emergency room or remain under observation without being formally admitted as inpatients are not counted in the DRA HAC measures. If, however, a patient initially treated in the emergency department is later admitted as an inpatient, that inpatient stay may be included, provided it meets all other required inclusion criteria.

HAC occurrences are included in the DRA HAC numerator only if they are associated with the POA Indicator codes “N” or “U.”

The available POA Indicator codes are as follows:

- Y: Diagnosis was present at time of inpatient admission
- N: Diagnosis was not present at time of inpatient admission

- U: Documentation was insufficient to determine whether diagnosis was present at time of inpatient admission
- W: Clinically undetermined whether diagnosis was present at time of inpatient admission
- 1: Diagnosis exempt from POA Indicator reporting

The DRA HAC measures do not exclude any HACs based on how they occurred – there are no restrictions based on diagnosis or procedure coding.

How will the DRA HAC results posted in 2025 differ from the results posted in 2024?

The 2025 Publicly Reported DRA HAC Measures will use an updated 24-month discharge period, covering discharges between July 1, 2022, and June 30, 2024. The 2024 Publicly Reported DRA HAC Measures used a 24-month discharge period, covering discharges between July 1, 2021, and June 30, 2023.

Does CMS adjust these measures based on a hospital's patient case mix?

CMS does not adjust the results of the DRA HAC measures based on patient case mix. CMS considers many of these HACs to be serious, reportable events that should not occur, regardless of a patient's condition.

How does CMS assess multiple HACs in the same claim when calculating hospital rates?

If a discharge record contains qualifying secondary diagnoses for multiple identified HAC categories, CMS will count the discharge record once for each unique HAC category. However, if a discharge record contains multiple qualifying secondary diagnoses for the same identified HAC category, CMS will only count the discharge record one time.

Where can I find the ICD-10 codes used for the 2025 Publicly Reported DRA HAC Measures?

For the complete lists of ICD-10 codes, see the FY 2022, FY 2023, and FY 2024 ICD-10 HAC Lists on the CMS website: <https://www.cms.gov/medicare/payment/fee-for-service-providers/hospital-acquired-conditions-hac/icd-10>.

Discharges between July 1, 2022, and September 30, 2022, reference the FY 2022 ICD-10 HAC List. Discharges between October 1, 2022, and September 30, 2023, reference the FY 2023 ICD-10 HAC List. Discharges between October 1, 2023, and June 30, 2024, reference the FY 2024 ICD-10 HAC List.

Please direct any questions or feedback regarding the ICD-10 HAC Lists to the CMS HAC Feedback mailbox: HACFeedback@cms.hhs.gov.

Where can I find more information?

Visit CMS's HAC POA Indicator page for more information on the DRA HAC POA Indicators, including a [Frequently Asked Questions document](#) available under the list of educational

resources: <https://www.cms.gov/medicare/payment/fee-for-service-providers/hospital-acquired-conditions-hac>.

Please direct any general questions on the Publicly Reported DRA HAC Measures to the QualityNet Question and Answer Tool:

https://cmsqualitysupport.servicenowservices.com/qnet_qa. Select “Ask a Question” and then “DRA HAC – Deficit Reduction Act Hospital-Acquired Conditions” in the Program list.

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