Minnesota Models Law for Hospital 'Never Events'

BY MARY ELLEN SCHNEIDER
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Private payers are watching with interest to see how Medicare implements its new policy of withholding payment for certain hospital-acquired conditions and infections.

But Minnesota is already leading the way in this area. In 2003, the state began requiring hospitals to report on 27 so-called "never events" identified at that time by the National Quality Forum (NQF). The NQF list of such adverse events, defined as mistakes that should never occur in the hospital, includes wrong-site surgeries, objects left during surgery, and serious medication errors.

Under the Minnesota reporting law, hospitals must report these never events, investigate the underlying cause, and take corrective action.

In September, Gov. Tim Pawlenty (R) announced the next step. Hospitals in the state have agreed not to bill insurance companies or patients for any of the 27 events identified by the NQF.

"It seems obvious to us, but Minnesota is the first state in the nation to agree that patients, employers, and insurers shouldn't pay for care made necessary by an adverse health event," Gov. Pawlenty said in a statement. "We hope more states will follow our lead."

The plan, which was created by the Minnesota Hospital Association and the Minnesota Council of Health Plans, is similar to a program launched in 2005 by HealthPartners Inc., a Minnesota-based health care insurer.

Building on the earlier quality-reporting efforts within the state, HealthPartners not only stopped paying hospitals for charges associated with never events, it also prohibited hospitals from billing the plan's members.

The program has become a national model, according to Babette Apland, senior vice president for health and care management at HealthPartners. Officials from the plan have consulted with the Leapfrog Group and the Medicare Payment Advisory Commission.

Although there was some controversy around the HealthPartners policy when it was first implemented, hospitals quickly got on board, Ms. Apland said.

Because never events are rare, the savings to the health plan for withholding payment has been negligible, Ms. Apland said. Instead, the program's aim was to provide hospitals with an incentive to systematically prevent these events. ■

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