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Hospital-Acquired Condition Reduction Program

The Hospital-Acquired Condition (HAC) Reduction Program is a value-based-purchasing program for Medicare that supports the Centers for Medicare and Medicaid Services' (CMS') long-standing effort to link Medicare payments to healthcare quality in the inpatient hospital setting. Section 1886(p) of the Social Security Act set forth the statutory requirements for the HAC Reduction Program.

Under the program, CMS reduces overall Medicare payments for hospitals that rank in the worst-performing quartile of all hospitals on measures of hospital-acquired conditions. On an annual basis, CMS evaluates overall hospital performance by calculating Total HAC Scores as the equally weighted average of scores on measures included in the program. Hospitals with a Total HAC Score greater than the 75th percentile of all Total HAC Scores will receive a 1-percent payment reduction. This payment adjustment applies to all Medicare fee-for-service discharges for the applicable fiscal program year when CMS pays hospital claims.

CMS uses the Total HAC Score to determine the worst-performing quartile of all subsection (d) hospitals based on data for six quality measures:

- One claims-based composite measure of patient safety:
  - CMS Patient Safety and Adverse Events Composite (CMS PSI 90)
- Five chart-abstracted measures of healthcare–associated infections (HAI), submitted to the Centers for Disease Control and Prevention's National Healthcare Safety Network:
  - Central Line-Associated Bloodstream Infection (CLABSI)
  - Catheter-Associated Urinary Tract Infection (CAUTI)
  - Colon and Abdominal Hysterectomy Surgical Site Infection (SSI)

- Methicillin-resistant *Staphylococcus aureus* (MRSA) bacteremia
- *Clostridium difficile* Infection (CDI)

Each year, CMS sends hospitals confidential Hospital-Specific Reports (HSRs) that contain detailed program information and calculations for them to review. CMS gives hospitals 30 days to review their HAC Reduction Program data, submit questions about the calculation of their results, and request corrections to their scoring.

After the Scoring Calculations Review and Correction period, CMS publicly displays hospitals' HAC Reduction Program data on the data catalog on Data.cms.gov.

Note:

The HAC Reduction Program is a separate and distinct program from the Hospital-Acquired Conditions Present on Admission Indicator (HAC POA) provision established by the Deficit Reduction Act (DRA) of 2005. More information on the DRA HAC POA provision is available at https://www.cms.gov/medicare/payment/fee-for-service-providers/hospital-aquired-conditions-hac.

Related Links

QualityNet: HAC Reduction Program

QualityNet: HAC Reduction Program Resources

FY 2025 HAC Reduction Program Fact Sheet

FY 2025 HAC Reduction Program Methodology Infographic

FY 2025 HAC Reduction Program Key Dates Matrix

Page Last Modified: 09/10/2024 06:23 PM

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