

Activities of the State Medical Review Team, Fiscal Year 2010

Health Services Medical Management

February, 2011

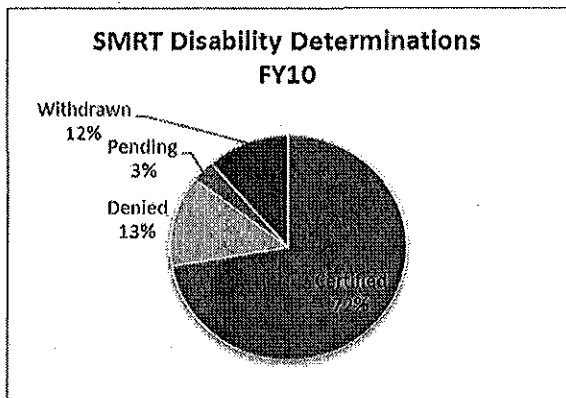


Executive Summary

The State Medical Review Team (SMRT) completes disability determinations according to criteria defined by the Social Security Administration. A SMRT disability certification establishes a basis of eligibility in Medical Assistance, the state's Medicaid program. Applications are submitted by counties on behalf of their clients, processed by DHS staff, and determinations are completed by a contracted Medical Review Agent (MRA). The state currently contracts with Care Delivery Management Inc., a subsidiary of Blue Cross Blue Shield of MN.

Clients are certified disabled for a period of 1 to 7 years. At the end of the certification period, SMRT examines new medical evidence to determine whether the client's impairment has improved. 14% of the disability determinations that are completed each year are recertification's while 86% are new cases.

SMRT received **9158 applications** for disability determinations in fiscal year 2010. This reflects a 25% increase over fiscal year 2009. SMRT applications result in a certification, denial or are withdrawn.

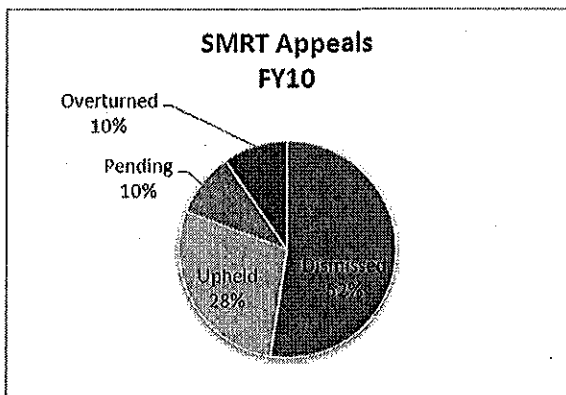


Of the 9158 applications:

- 6622 or 72% were **certified**
- 1190 or 13% were **denied**
- 1054 or 12% were **withdrawn**
- 292 or 3% were **pending**

The average length of time from DHS receipt of a SMRT application to a decision was 52 days.

Of the 1190 SMRT denials, **124 appeals** were performed by the DHS Appeals Office. Appeals result in a dismissal when new information is received or a denial that is either upheld or overturned.



Of the 124 Appeals:

- 65 or 52% were dismissed
- 35 or 28 % were upheld
- 12 or 10% were pending
- 12 or 10% were overturned

The average length of time from DHS receipt of an appeal request to a decision was 46 days.

DHS found that most SMRT applicants were over 30 years of age and did not have third party coverage at the time they applied. About one quarter were hospitalized immediately before applying and almost half had a pending application for disability benefits with SSA.

Purpose of Report

This report was prepared in response to a mandate under MN Statutes 256.01, Subdivision 29 (c). It includes fiscal year data for activities performed by State Medical Review Team (SMRT) and other related areas of the department. It was compiled and written by SMRT with input from data specialists in the Health Services and Medical Management and Appeals Division at the Department of Human Services. Staff met throughout December and January to isolate the appropriate data, address discrepancies, and interpret and present the results. A total of 86 hours were spent producing this report.

This Legislative Report is mandated by MN Statutes 256.01, Subdivision 29 (c).

The commissioner shall provide the chairs of the legislative committees with jurisdiction over health and human services finance and budget the following information on the activities of the state medical review team by February 1 of each year:

- (1) the number of applications to the state medical review team that were denied, approved, or withdrawn;*
- (2) the average length of time from receipt of the application to a decision;*
- (3) the number of appeals, appeal results, and the length of time taken from the date the person involved requested an appeal for a written decision to be made on each appeal;*
- (4) for applicants, their age, health coverage at the time of application, hospitalization history within three months of application, and whether an application for Social Security or Supplemental Security Income benefits is pending; and*
- (5) specific information on the medical certification, licensure, or other credentials of the person or persons performing the medical review determinations and length of time in that position.*

MN Statutes 256.01, Subdivision 29 L also expanded the role of the State Medical Review Team in 2009. Implementation of these changes occurred during the same time period covered by this report. Implementation efforts included difficult systems and procedural changes that disrupted the daily activities of SMRT. This contributed to longer than average processing times and may have affected other results contained in this report.

This report lays out the results of the data requested by statute. It includes a brief background to familiarize the reader with the disability determination process and includes only a brief explanation or suggestion as to why data may vary from previous years.

Background

The State Medical Review Team (SMRT) performs disability determinations for Minnesotans up to age 65 based on criteria defined by the Social Security Administration (SSA). Code of Federal Regulations § 435.541 authorizes states to create medical review teams to perform disability determinations for Medicaid eligibility. SMRT exists parallel to the disability determination process used by SSA. SMRT determinations are not recognized by SSA, and can not result in eligibility in any federally administered program.

SSA criteria for a disability determination follows a five-step process designed to determine how an applicant's physical and/or mental condition(s) affects their ability to work or perform activities of daily living. Children applying for services under the TEFRA program must also demonstrate that their condition(s) requires the same level of care as would be provided by a residential facility, hospital, or nursing home. Medical evidence related to the impairment(s) is required for a disability determination.

County financial workers generate SMRT applications on behalf of their clients. In fiscal year 2010, if additional information was required, a request was sent back to the county who was responsible for coordinating the collection of documentation. This changed at the end of fiscal year 2010. SMRT is now responsible for collecting additional information if needed. Once a case is complete, the evidence is sent to a contracted Medical Review Agent for a determination.

Since 1999, DHS has contracted with Care Delivery Management, Inc. (CDMI), a subsidiary of Blue Cross Blue Shield of MN. CDMI has a combined 41 years of disability determination experience. If a CDMI reviewer cannot approve or certify a case, it is sent for peer review, where a physician, psychologist or both determine disability.

A SMRT certification of disability establishes a basis of eligibility in Medical Assistance (MA), waiver programs, TEFRA, and Medical Assistance for Employed Persons with Disabilities (MA-EPD). Notices are sent back to the referring county and list the results of the disability determination. SMRT disability certifications are valid for at least one year. A child's certification for TEFRA can be up to four years, and adults up to seven years, depending on the severity and permanence of the disability.

Methodology

The data used in this report came from three sources:

1. The State Medical Review Team database
2. The state's data warehouse, specifically MMIS and MAXIS
3. The state's contracted Medical Review Agent

The SMRT database tracks an application from the date it is received through the date a disability determination or appeal decision is made. The database contains personal information about an applicant, including name, age, state identifiers and the program they applied for. It also includes date fields that track the status of an application as it is reviewed for disability. Data from the SMRT database is searchable via query in Microsoft Access, easily cross-checked against original documents and easily matched against data from MMIS and MAXIS through the state's data warehouse.

DHS analyzed disability applications received in state fiscal year 2010. Calendar year 2010 would have included incomplete cases, giving an inaccurate picture of the time from application to decision. Applications submitted up to and including June 30, 2010 were analyzed though to their completion, including cases decided after the date range.

The appeals data for this report includes appeals requested for applications received by SMRT in fiscal year 2010. DHS analyzed appeals data from the SMRT database cross-matched with data from the state's appeals database from the same period of time. Data from the appeals database was used to calculate the time from the appeal request to a written decision.

The data was extracted from the SMRT database on January 21, 2011. Data from the SMRT database was sufficient to complete the statutory requirements in paragraphs (1) and (2), the number of appeals and appeal results in paragraph (3), and the age requirement in paragraph (4).

Data from the state's appeals database was sufficient to complete the statutory requirements in paragraph (3), the length of time from appeal request to a written decision. This data element was pulled from the appeals database by a data specialist in the Appeals Division on January 25, 2011.

Data from the state's data warehouse, specifically MMIS and MAXIS was sufficient to complete the statutory requirements in paragraph (4); three required data elements do not exist in the SMRT database and were extracted from the state's data warehouse, specifically MMIS and MAXIS. These elements are listed in the statute under paragraph (4):

- Health coverage at the time of application;
- Hospitalization history within three months of application; and
- Whether an application for Social Security of Supplemental Security Income benefits is pending.¹

These data elements were pulled from the data warehouse by a data specialist in the Health Services and Medical Management Division, on January 24, 2011.

The data and information required by paragraph (5) regarding the qualifications and experience of the medical professionals who perform the determinations came directly from Care Delivery Management Inc. (CDMI); the state's contracted Medical Review Agent.

¹ **NOTE:** These three data elements present concerns as to reliability. In particular, the element detailing SSA application status is, at a minimum, suspect. There are multiple factors contributing to a lack of reliability for these elements.

For "health coverage at the time of application," the available data only lists whether an applicant had third-party liability coverage at the time of application, not the extent of benefits available. Also, for 10% of applicants, this status is listed as "unknown."

For "hospitalization history," the only data available are claims directly submitted to DHS. If a hospitalization occurred without being billed to DHS, there would be no record of that encounter available to report.

Finally, the SSA application status data element is likely unreliable for multiple reasons. DHS and SSA are two separate entities with different databases and processes. A change to SSA status would not be recognized by DHS unless directly conveyed, and there is no mechanism in place to convey changes in status prior to a final decision from SSA. Also, a county worker enters the SSA status at the time of the MA application, but SSA accepts applications from individual applicants independently. An applicant may have submitted an application to SSA without the county worker knowing at the time of application to SMRT.

Previous Year Application Results - included for reference.

Total SMRT applications and the increase percentage per year for the **last five fiscal years**:

Year	Number of Applications	Increase
2006	5,401	
2007	6,190	14%
2008	6,660	7%
2009	7,298	9%
2010	9,159	25%

Fiscal year 2010 saw a **25% increase** in SMRT applications. This is significant when compared to the average increase of 10 % per year over the previous 3 years.

Fiscal Year 2010 Results

The commissioner shall provide ... the following information on the activities of the state medical review team:

- (1) the number of applications to the state medical review team that were denied, approved, or withdrawn;*

In fiscal year 2010, the State Medical Review Team received a total of **9158 applications**.

Of the 9158 applications, 7848 or 86% were new cases, 1310 or 14% were applications for recertification of an existing SMRT certification.

There are four categories of outcome for SMRT applications.

- (1) **Certified:** the medical evidence was reviewed and the applicant was determined to be disabled according to SSA criteria.
- (2) **Denied:** the medical evidence was reviewed and the applicant was determined not to be disabled according to SSA criteria.
- (3) **Withdrawn:** the application was received, but no final determination was made.
- (4) **Pending:** the application was still pending, awaiting additional information, or under review at the time the data were pulled.

SMRT application outcomes for fiscal year 2010 were:

Outcome	Number	Percent
Certified	6622	72%
Denied	1190	13%
Withdrawn	1054	12%
Pending	292	3%

SMRT further tracks the reasons for cases that were **withdrawn**. In over half of the cases the applicant could not or did not comply with a request for additional information required to make a determination. During the period of this report, when a case required additional information, SMRT sent a series of notices to the county worker requesting the additional information. After 60 days without a response from the county, the case was withdrawn. Cases withdrawn for this reason are not formally denied by SMRT, and if additional information is submitted, SMRT will reopen the case and proceed.

SMRT reasons for cases withdrawn in fiscal year 2010 were:

Withdrawn Reasons	Number	Percent
Receiving Social Security Income (SSI)	162	15%
Receiving Retirement Survivors Disability Income (RSDI)	76	7%
Deceased	3	0%
Moved out of state	28	3%
Client request	63	6%
County request or other	159	15%
Additional information requested but not received	563	54%

Pending cases are cases that were under review or pending awaiting additional information at the time this data was compiled.

The commissioner shall provide ... the following information on the activities of the state medical review team:

- (2) *the average length of time from receipt of the application to a decision;*

For this report, length of time was calculated in calendar days. The “receipt of application” date is defined as the date the application was faxed by the county to SMRT. This is the same date for all cases regardless of outcome. A “decision” is defined as the date when a certification or a denial was faxed

back to the county. For withdrawals, a “decision” is defined as the date of the most recent request for additional information sent from SMRT to the county.

For all SMRT applications in fiscal year 2010, the average time from receipt of the application to a disability decision was **52 days**.

The data include cases that need additional information and cases that were complete when received. A complete case takes SMRT less than half the time to process as a case that requires additional information. In fiscal year 2010, counties were responsible for the collection of additional information. Of the 9158 cases processed, 4213 cases or 46% required additional information.

The commissioner shall provide... the following information on the activities of the state medical review team:

(3) the number of appeals, appeal results, and the length of time taken from the date the person involved requested an appeal for a written decision to be made on each appeal;

In fiscal year 2010 the Appeals Office conducted **124 appeals** on cases received by SMRT.

There are four possible outcomes of appeals:

- 1) **Dismissed:** the DHS Appeals Office dismissed the appeal before a fair hearing was conducted. In most dismissals, additional information was received and the case was returned to SMRT for a determination before a fair hearing. Rarely, the appeal was dismissed for lack of merit, or the applicant asked to have the appeal dismissed.
- 2) **Upheld:** The DHS Appeals Office conducted a fair hearing and agreed with the original SMRT denial, resulting in a denial.
- 3) **Overtured:** The DHS Appeals Office conducted a fair hearing and disagreed with the original SMRT denial, resulting in a certification.
- 4) **Pending:** The appeal was still pending as of the date the data was pulled.

SMRT appeals outcomes:

Result	Number	Percent
Dismissed	65	52%
Upheld	35	28%
Overtured	12	10%
Pending	12	10%

The average length of time from the appeal request to an appeal decision was **46 days**.

For this report, length of time was calculated in calendar days with time credited when the appeal hearing is continued or appeal record held open for the appellant's benefit. The "receipt of application" date is defined as the "appeal filing" date within the Appeals database. The "written decision" date is defined as the "final appeal order" date within the Appeals database.

Appeals that went to hearing took longer than the appeals that were dismissed. On average, appeals that went to hearing took 74 days. Approximately 95% of SMRT appeals are completed within the 90 day statutory time frame. Of the 5% that surpass the time frame, almost half are settled within days of the 90 day mark. As per statute, all appeals that surpass the 90 day time frame are reviewed by a Chief Human Services Judge. To meet this requirement, chief human service judges review each of the appeals judges' open appeals on a monthly basis.

The commissioner shall provide ... the following information on the activities of the state medical review team:

(4) for applicants, their age, health coverage at the time of application, hospitalization history within three months of application, and whether an application for Social Security or Supplemental Security Income benefits is pending

"Age" is defined as the applicant's age on the date of application. In fiscal year 2010, the **average age** of a SMRT applicant was **34**.

"Health coverage at the time of application" is defined as any known third-party liability insurance coverage on the date of application.

Third-Party Liability coverage?	Number	Percent of total
Yes	1797	20%
No	6431	70%
Unknown	930	10%

"Hospitalization history within three months of application" is defined as an inpatient admission associated with the applicant based on claims data available to DHS. Admissions to Skilled Nursing Facilities were not included. "Within three months of application" is defined as three months prior to the date of application to three months after the date of application. The numbers are listed separately for each three month period. An applicant may have had a hospitalization(s) in both the three months prior to and after the application date.

2385 or 26% of all applicants for which DHS had records of a hospitalization in the **three months prior** to the date of application.

Hospitalized 3 months prior to application date	Number	Percent of total
Yes	1797	26%
No	6431	74%

1423 or 16% of all applicants for which DHS had records of a hospitalization in the **three months after** the date of application.

Hospitalized 3 months after application date	Number	Percent of total
Yes	1423	16%
No	7735	84%

“Whether an application for Social Security or Supplemental Security Income benefits is pending” is based only on data available in the DHS data warehouse. The data was filtered to isolate SMRT applicants who had applied for SSI and/or RSDI, and then filtered again to include only applicants whose status was listed as “appealing,” “denied,” “eligible,” or “pending.”

4015 SMRT applicants or 44% of all applicants had an application for SSI/RSDI pending with the Social Security Administration on the date they applied.

The commissioner shall provide ...the following information on the activities of the state medical review team:

(5) specific information on the medical certification, licensure, or other credentials of the person or persons performing the medical review determinations and length of time in that position.

Information provided by the state’s contracted Medical Review Agent, Care Delivery Management, Inc. (CDMI); shows 7 medical professionals perform disability determinations for SMRT:

- Two primary Registered Nurse’s with a combined 12 years of experience doing disability determinations.
- Two back-up Registered Nurses with a combined 16 years of experience doing disability determinations
- An MD with 4 years of experience doing disability determinations
- Two PhD Psychologists each with 3 years of experience performing disability determinations.

Summary

- SMRT received 25% more applications in fiscal year 2010 than fiscal year 2009. This was a significant increase in workload for both county and SMRT staff, which contributed to a longer processing time.
- The state's current Medical Review Agent has 35 combined years of disability determination experience.
- Less than 11% of denials result in an appeal. Less than half of those actually go to hearing.
- The thousands of adults (GAMC) that submitted a SMRT application in the wake of GAMC program changes contributed to the trends seen in this report.
 - The certification or approval rate of 72 % is lower than previous years. This makes sense since approvals for adults (72%) are historically lower than that of children (90%).
 - The average application took 52 days to process, higher than in previous years. It takes much longer to complete an application for a GAMC enrollee who often does not have medical records to support a disability, lacks resources and assistance, may be homeless and is often without transportation, and may be enrolled in a Coordinated Care Delivery System (CCDS) that has not previously treated them.
- During the period covered by this report, SMRT was in the process of implementing legislative changes from 2009. Legislation shifted responsibility for the collection of additional medical evidence from the counties to SMRT. SMRT staff took over this role toward the end of fiscal year 2010 in June. The changes however, occurred throughout this period impacting the work of both the counties and SMRT. Significant system and procedural changes were made that disrupted daily work activities. This ultimately resulted in longer than average processing times and may have affected other results included in this report.
- SMRT expects applications to continue to increase in fiscal year 2011 at this same significant level as GAMC enrollees continue to be referred to SMRT.
- Since the end of fiscal year 2010, SMRT expanded its staff and systems capabilities to accommodate the expected increase in the flow of information. This included new standardized forms, more secure and efficient ways to communicate with counties, clients, and providers, additional secure methods of moving medical records and new ways to track information.
- SMRT expects to leverage technology and other resources available to implement initiatives aimed at reducing contracting costs and increasing the productivity and efficiency of county and SMRT staff.
- The ageing population is expected to continue to contribute to the rise in both SSI/RSDI and SMRT applications.