

Activities of the State Medical Review Team, Fiscal Year 2011

Health Care Eligibility and Access

February, 2012



Activities of the State Medical Review Team Fiscal Year 2011

Health Care Eligibility and Access Division

Department of Human Services Health Care Administration

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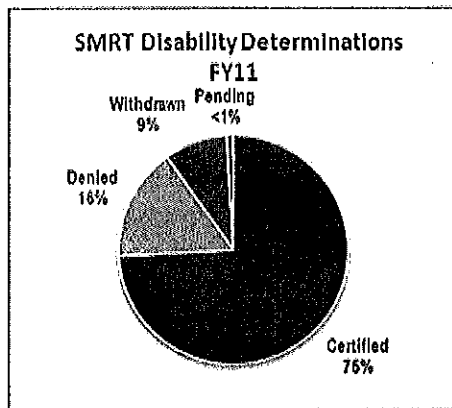
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Executive Summary

The State Medical Review Team (SMRT) completes disability determinations according to criteria defined by the Social Security Administration (SSA). A SMRT disability certification establishes a basis of eligibility for Medical Assistance, the state's Medicaid program. Applications are submitted by counties on behalf of their clients, processed by Department of Human Services (DHS) staff, and determinations are completed by Care Delivery Management Inc., a contracted Medical Review Agent (MRA).

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. 16% of the disability determinations that were completed in fiscal year 2011 were recertifications while 84% were new cases.

SMRT received **10,501 applications** for disability determinations in fiscal year 2011. This reflects about a 15% increase over fiscal year 2010. SMRT applications result in a certification, denial or are withdrawn.

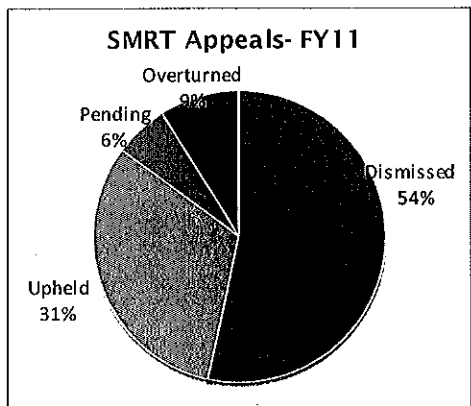


Of the 10,501 applications:

- 7,865 or 75% were **certified**
- 1,674 or 16% were **denied**
- 946 or 9% were **withdrawn**
- 16 or <1% were **pending**

The average length of time from DHS receipt of a SMRT application to a decision was 66 days.

Of the 1,674 SMRT denials, **101 appeals** were filed with the state appeals office.



Of the 101 appeals:

- 54 or 54% were dismissed
- 32 or 31% were upheld
- 6 or 6% are pending
- 9 or 9% were overturned

The average length of time from DHS receipt of an appeal request to a decision was 58 days.

DHS found that the average SMRT applicant was 37 years of age and did not have coverage at the time they applied. Almost half had a pending application for disability benefits with SSA and about one quarter of applicants were hospitalized immediately before applying.

Purpose of Report

This report was prepared in response to a mandate under Minnesota Statutes, section 256.01, subdivision 29(c). It includes fiscal year data for activities performed by the State Medical Review Team (SMRT) and other related areas of the department. It was compiled and written by SMRT staff with input from data specialists in the Health Services and Medical Management and the Appeals & Regulations Divisions at the Department of Human Services. Staff met in December and January to isolate the data, address discrepancies, and interpret and present the results.

This Legislative Report is mandated by Minnesota Statutes, section 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.*

Minnesota Statutes, section 256.01, subdivision 29, 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 data 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). The 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 cannot 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 MA services under the TEFRA option 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. Workers collect and submit forms and documentation to SMRT with a referral. SMRT reviews the documentation and decides if additional information is needed and collects it. When a case requires additional information, SMRT sends at least two notices to the client requesting the specific information and attempts to reach the client by phone. After 60 days, if a client does not respond, the case is forwarded for a determination based on the evidence on file. SMRT continues to process a case as long as the client is cooperating. If the client is not cooperating and SMRT has exhausted efforts to collect the information needed, the case is denied for non-cooperation.

Once a case is complete it is forwarded to a contracted Medical Review Agent for a determination. In fiscal year 2011, DHS contracted with Care Delivery Management, Inc. (CDMI), a subsidiary of Blue Cross Blue Shield of MN. If a CDMI reviewer cannot approve or certify a case, it is reviewed by a physician, psychologist or both.

A SMRT certification of disability establishes a basis of eligibility in Medical Assistance (MA) including waiver programs, TEFRA, and Medical Assistance for Employed Persons with Disabilities (MA-EPD). Results of the disability determinations are mailed to the client and faxed to the referring county. 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
4. The DHS Appeals & Regulations database

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 2011. Applications submitted up to and including June 30, 2011, were analyzed through 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 2011. 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 10, 2012. 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 & Regulations Division on January 10, 2012.

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 11, 2012.

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. 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

This information included for reference purposes.

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

Year	Number of Applications	Increase
2007	6,190	
2008	6,660	7%
2009	7,298	9%
2010	9,159	25%
2011	10,501	15%

Fiscal year 2011 saw a **15% increase** in SMRT applications. This is significantly lower than the increase in applications in 2010 over 2009. As a result of changes to the General Assistance Medical Care (GAMC) program, SMRT saw a significant increase in the applications for adults without children in the later part of fiscal year 2010 and the first three quarters of fiscal year 2011. In the last quarter of fiscal year 2011, SMRT saw a marked decrease in applications for this same population. This was shortly after the implementation of Medical Assistance for Adults without Children (MA-AX).

Fiscal Year 2011 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 2011, the State Medical Review Team received a total of **10,501 applications**.

Of the 10,501 applications, 8,854 or 84% were new cases, 1,647 or 16% 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 2011 were:

Outcome	Number	Percent
Certified	7,865	75%
Denied	1,674	16%
Withdrawn	946	9%
Pending	16	<1%

SMRT further tracks the reasons for cases that were **withdrawn**. Half of withdrawn cases were incomplete when SMRT received them from the county. They were returned to the county and many were resubmitted at a later date with the required documents.

SMRT reasons for cases withdrawn in fiscal year 2011 were:

Withdrawn Reasons	Number	Percent
01 Receiving Social Security Income (SSI)	186	20%
02 Receiving Retirement Survivors Disability Income (RSDI)	73	8%
03 Deceased	6	<1%
04 Moved out of state	33	3%
05 Parental Fee Unacceptable	2	<1%
06 Eligible for Waiver	1	<1%
07 County request or other	82	9%
08 Client request	62	7%
09 Additional information requested but not received	9	1%
10 Incomplete application	469	50%
11 GAMC to MA-AX expansion	23	2%

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. A “decision” for purposes of this report is defined as the date the certification or denial determination was made.

For all SMRT applications in fiscal year 2011, the average time from receipt of the application to a disability decision was **66 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 2011, SMRT had just become responsible for the collection of additional information. Of the 10,501 cases processed, 35% 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;

The Appeals Office conducted **101 appeals** on cases received by SMRT in fiscal year 2011.

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 was the appeal dismissed for lack of merit or did the applicant ask 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 disability certification.
- 4) **Pending:** The appeal was still pending as of the date the data was pulled.

SMRT appeals outcomes:

Result	Number	Percent
Dismissed	54	54%
Upheld	32	31%
Overtured	9	9%
Pending	6	6%

The average length of time from the appeal request to an appeal decision was **58 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 "date filed" is defined as the date the appeal request was received by the Appeals office. The "date closed" is defined as the date the order was signed off on by the chief Human Services Judge.

Appeals that went to hearing took longer than the appeals that were dismissed. On average, appeals that went to hearing took 74 days. Approximately 86% of SMRT appeals are completed within the 90 day

statutory time frame. Of the 14% that surpass the 90 day time frame, over half were settled within 34 days and were upheld. 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 2011, the **average age** of a SMRT applicant **was 37**.

“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	1,849	18%
No	7,498	71%
Unknown	1,154	11%

“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.

2,758 or 26% of all SMRT 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	2,758	26%
No	7,743	74%

1,717 or 16% of all SMRT 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	1,717	16%
No	8,784	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.”

4,678 or 45% 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 seven medical professionals performed disability determinations for SMRT:

- Two Registered Nurses with a combined 14 years of experience doing disability determinations.
- Two back-up Registered Nurses with a combined 18 years of experience doing disability determinations.
- An MD with five years of experience doing disability determinations.
- Two PhD Psychologists with a combined eight years of experience performing disability determinations.

This represents a combined 45 years of experience performing disability determinations.

Summary

- SMRT saw a 15% increase in applications in fiscal year 2011. While this is much lower than the 25% increase in fiscal year 2010, it is still higher than the average yearly increases that occurred prior to fiscal year 2010. Essentially, SMRT saw consistent increases each year until FY10 when changes to the GAMC program sent SMRT applications soaring. Fiscal year 2011 saw referrals stay at a consistently higher level until the last quarter of the year when referrals abruptly decreased by almost 30%. This decrease coincided with the implementation of Medical Assistance for Adults without Children (MA-AX).
- The certification or approval rate of 75% is slightly higher than the previous year. This figure fluctuates based on the ratio of children to adults. The approval rate for children is consistently higher than that of adults. The ratio of children to adults increased in the latter half of fiscal year 2011 when referrals decreased for adults without children.
- The average application in fiscal year 2011 took 66 days to process, slightly higher than in the previous year. There were multiple factors contributing to this increase:
 - Significant increases in referrals for GAMC enrollees created a backlog of cases.
 - A large number of cases were submitted without the required forms or documentation. It took time for SMRT to identify and return those cases to the county. As a result, cases that were complete waited longer to be processed.
 - System and procedural changes made throughout fiscal year 2011 disrupted normal daily activities. This occurred as SMRT was implementing the 2009 legislation that shifted the responsibility to collect additional information from the county to SMRT.
- SMRT has a fairly low appeal rate. Only 6% of denials result in an appeal. Less than half of those actually go to hearing. This number has remained consistent fluctuating only slightly from year to year.
- Fiscal year 2011 was a transitional year with little consistency. SMRT expects to see more consistency in the numbers of adults without children referred to SMRT throughout fiscal year 2012. This should create more consistency overall in the total number of applications to SMRT. Consistency and predictability in the numbers and types of cases referred to SMRT will allow SMRT to focus on initiatives aimed at improving the accuracy and efficiency in which disability determinations are completed. This will improve the clients overall experience and, more importantly, provide faster access to critical health care services for clients with disabilities.