Activities of the State Medical Review Team Fiscal Year 2015

Health Care Eligibility and Access
February 2016

Legislative Report

Minnesota Department of **Human Services**

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Minnesota Statutes, Chapter 3.197, requires the disclosure of the cost to prepare this report. The estimated cost of preparing this report is approximately $1,997.02.

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I. Executive summary

The State Medical Review Team (SMRT) disability certification establishes a basis of eligibility for Medical Assistance (MA), Minnesota's Medicaid program. The SMRT completes disability determinations according to criteria defined by the Social Security Administration (SSA).

Counties submit referrals on behalf of their clients. The SMRT staff process these cases and make determinations in consultation with medical professionals.

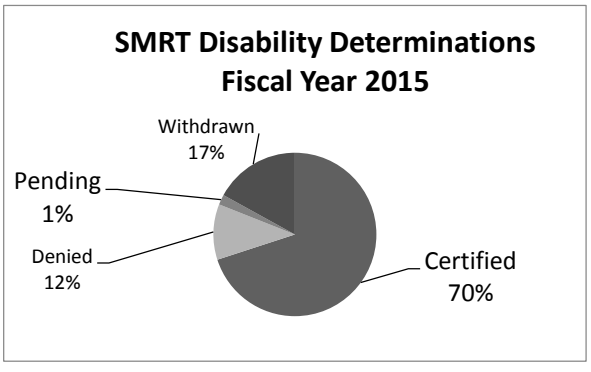
The SMRT certifies clients as disabled for a period of one to seven years. At the end of the certification period, the SMRT examines new medical evidence to determine whether the client's impairment has improved. In fiscal year 2015, 23 percent of disability determinations were Continuing Disability Reviews (CDR).

The SMRT received **5,365 referrals** in fiscal year 2015:

- The average SMRT client was 27 years old, younger than in fiscal year 2014.
- Over half did not have coverage at referral.
- Slightly less than half had an active application for SSA disability benefits.
- About one quarter were in the hospital right before they were referred to SMRT.

SMRT referrals result in a certification or denial. Some clients withdraw referrals, although a few remain pending while SMRT obtains medical evidence to make a determination.

The average length of time from referral to a decision was 79 days.

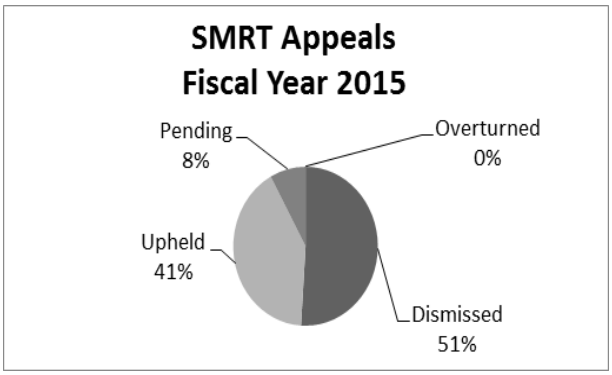


Of the **5, 365** 2015 referrals, the SMRT:

- certified 3,773 (70 percent)
- denied 612 (12 percent)
- pended 62 (1 percent)

Clients withdrew 918 referrals (17 percent).

Of the 612 SMRT denials, 51 were appealed (8 percent). Of these, the state appeals office:



- dismissed 26 (51 percent)
- upheld 21 (41 percent)
- pended 4 (8 percent)
- overturned 0 (0 percent)

The average length of time from DHS receipt of an appeal request to a decision was **74 days**.

II. Legislation

Minnesota Statutes, section 256.01, subdivision 29(c) mandates this Legislative Report.

> (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.

III. Introduction

This report was prepared in response to a mandate under Minnesota Statutes, section 256.01, subdivision 29(c). 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 an explanation as to why data may vary from previous years.

- It includes fiscal year data for activities performed by the Department of Human Services (DHS) SMRT, Appeals & Regulations, and other related areas of the department.
- SMRT staff compiled and wrote this report with input from data specialists in the DHS Health Care Research and Quality and the Appeals & Regulations Divisions.
- Staff met in November and December to isolate the data, address discrepancies, and interpret and present the results.
- The cost to produce this report was $1,997.02.

IV. Background

The SMRT performs disability determinations for Minnesotans up to age 65 based on criteria defined by the SSA. The Code of Federal Regulations, Title 42, Chapter IV, Subchapter c, Part 435, Subpart F, section 435.541 authorizes states to create medical review teams to perform disability determinations for Medicaid eligibility.

SMRT functions parallel the disability determination process SSA uses. The SSA does not recognize a SMRT determination, so it cannot result in eligibility in any federally administered program.

Social Security Administration Process

SSA criteria for a disability determination follows a five-step process designed to determine how an applicant's physical and/or mental condition affects their ability to work or perform activities of daily living.

1. Financial screens.
2. A medical screen to deny applicants without a severe impairment.
3. A medical screen to allow applicants who are the most severely disabled.
4. Can severely impaired applicants work in their past jobs?
5. Can severely impaired applicants do other work in the national economy?

Impairment-related medical evidence is required for a disability determination. Children applying for MA services under the TEFRA option also must demonstrate that their condition(s) require the same level of care as provided in a residential facility, hospital or nursing home.

The SMRT Process

1. Counties submit referrals to SMRT on behalf of applicants and clients.

2. SMRT mails the client information and assigns a case manager.

3. The SMRT case manager interviews the client, determines what evidence they need, requests medical records from providers, sets up exams and owns the case until a decision is made.

4. The SMRT case manager repeatedly attempts to contact a client by phone and mail or through social workers or others.

5. If a client does not respond after 60 days, the case is determined using the evidence on file or denied for insufficient information if there is insufficient evidence on file.

6. SMRT case managers complete most disability decisions and escalate cases to a medical professional when necessary. This allows for a case decision at the earliest possible point in the determination process.

7. A SMRT certification establishes a basis of eligibility in MA, including waiver programs, TEFRA and Medical Assistance for Employed Persons with Disabilities (MA-EPD).

8. A SMRT certification can be used for state-funded programs designed to support disabled populations. These state-funded programs include Special Needs Basic Care (SNBC), Family Support Grant (FSG), and Consumer Support Grant (CSG).

9. The SMRT mails results to the client and faxes them to the referring county.

Certifications are valid for at least one year and up to seven years depending on the severity and permanence of the disability. Under the TEFRA option, the SMRT can certify children for up to four years.

At the end of the certification period, the SMRT may complete a CDR. Following SSA criteria, SMRT collects and examines current medical evidence to determine whether the severity of the client's impairment has improved since their last review. In fiscal year 2015, 23 percent of all disability determinations were CDRs.

V. Methodology

The data used in this report came from three sources:

1. The SMRT database
2. The state's data warehouse, specifically MMIS and MAXIS
3. The DHS Appeals & Regulations database

The SMRT database tracks the status of a referral from the date received to the date a disability or appeal decision is made. It records personal information about a client including name, age, state identifiers and the program they applied for.

Data from the SMRT database is searchable via query in Microsoft Access, cross-checked against original documents and matched against data from MMIS and MAXIS through the state's data warehouse.

DHS analyzed referrals and appeals received from July 1, 2014 through June 30, 2015, through to their completion, including case decisions made after the date range. Appeals data from the SMRT database was cross-matched with data from the state's appeals database.

A SMRT data specialist extracted data from the SMRT database on November 24, 2015. This data 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).

An Appeals data specialist extracted data from the state's appeals database on December 11, 2015. This data was sufficient to complete the statutory requirements in paragraph (3) including the length of time from appeal request to a written decision.

Data from the state's data warehouse, specifically MMIS and MAXIS was sufficient to complete the remaining statutory requirements in paragraph (4). A data specialist from Health Care Research and Quality extracted the following data from the state's data warehouse on November 19, 2015:

- 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 was pending.

SMRT provided the information listed in statute under paragraph (5) regarding the qualifications and experience of the staff and medical professionals who perform the determinations.

VI. Report Results

A. Historical Results

This chart depicts SMRT referrals for the **last six fiscal years**. The rise and fall of referrals is usually the result of policy and systems changes that occur within that fiscal year.

Year	SMRT Referrals	Change
2010	9,159	+25 %
2011	10,501	+15 %
2012	8,356	-20 %
2013	8,865	+6%
2014	6,700	-24%
2015	5,365	-20%

The elimination of GAMC in fiscal year 2010 lead to an increase in referrals in fiscal years 2010 and 2011 as former GAMC enrollees submitted SMRT applications in order to continue health care coverage. The implementation of Medical Assistance for Adults without Children (MA-AX) in the last quarter of fiscal year 2011 led to a decrease in applications that quarter and going forward. Without major policy changes in fiscal years 2012 and 2013, SMRT referrals returned to a more normal and predictable rate of increase. Starting in fiscal year 2014, the implementation of the Affordable Care Act (ACA) changed how SMRT was administered which resulted in a decrease in referrals.

Although the chart shows a decrease in the overall numbers of referrals in 2015, there were changes that contributed to an increase in SMRT's overall workload and production. Under the new ACA rules and roll-out of the Minnesota Eligibility Technology System (METS), county financial workers were unclear how to process under the new rules and IT system, resulting in a large number of unnecessary referrals submitted. This resulted in a delay in SMRT case processing times.

To help alleviate county confusion, SMRT:

- created a new referral form outlining cases that are appropriate for a SMRT referral,
- created a more detailed explanation of expedited case criteria, and
- trained county workers at the Financial Worker conference in October 2015.

During this same period, SMRT began developing and testing a new case management system. The new system is designed to streamline the SMRT referral process making it as efficient as

possible. SMRT staff have had to train in the new system and test, adjust, and retest functions to make sure that the new system meets current and future needs. While necessary, the work in the new system has also increased SMRT staff workload and affected their ability to process cases in a timely manner.

B. Individual Report Results

Statute

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 2015, the SMRT received a total of **5,365 referrals**. Of the 5,365 referrals, 4,131 or 77 percent were new cases and 1,234 or 23 percent were CDRs.

There are four outcome categories for a SMRT referral.

1. **Certified:** medical evidence shows the applicant is disabled according to SSA criteria.
2. **Denied:** medical evidence shows the applicant is not disabled according to SSA criteria.
3. **Withdrawn:** the referral was received, but no final determination was made.
4. **Pending:** the case was still pending or under review at the time the data was pulled.

SMRT referral outcomes for fiscal year 2015

Outcome	Number	Percent
Certified	3,773	70%
Denied	612	12%
Withdrawn	918	17%
Pending	62	1%

If a person became eligible for Social Security Income (SSI) or Retirement Survivors Disability Income (RSDI), the SMRT withdrew the case because SSA certified their disability.

Statute

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, SMRT staff

- calculated length of time in calendar days
- defined "receipt of application" date as the date the county faxed the referral to SMRT
- defined "decision" as the date of certification or denial

For all SMRT referrals in fiscal year 2015, the average time from receipt of the referral to a disability decision was **79 days**.

Statute

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;

(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 received **51 appeals** on cases received by SMRT in fiscal year 2015.

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) **Overturned:** 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	26	51%
Upheld	21	41%
Overturned	0	0%
Pending	4	8%

The average length of time from the appeal request to an appeal decision was **74 days**. Appeals that went to hearing took longer than the appeals that were dismissed. On average, appeals that went to hearing took **86 days**.

For this report, SMRT staff:

- calculated length of time in calendar days with time credited when the appeal hearing is continued or appeal record held open for the appellant's benefit,
- defined the "date filed" as the date the Appeals office received the appeals request, and
- defined the "date closed" as the date the order was signed off on by the chief Human Services Judge.

Statute

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 2015, the **average age** of a SMRT applicant **was 27.**

"*Health coverage at the time of application*" is defined as any known third-party liability insurance coverage on the date of application. **1,739 applicants, or 32 percent,** had third-party liability insurance coverage on the date of application.

Third-Party Liability coverage?	Number	Percent of total
Yes	1,739	32%
No	3,163	59%
Unknown	463	9%

"*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.

DHS has a record of a hospitalization in the **three months prior** to the date of application for **792** or **15%** of all SMRT applicants.

Hospitalized 3 months prior to application date	Number	Percent of total
Yes	792	15%
No	4,573	85%

DHS has a record of a hospitalization in the **three months after** the date of application for **520** or **10%** of all SMRT applicants.

Hospitalized 3 months after application date	Number	Percent of total
Yes	520	10%
No	4,845	90%

"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."

On the date they applied **1,561** applicants, or **29%** of all applicants, had an application for SSI/RSDI pending with the SSA.

Statute

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 perso or persons performing the medical review determinations and length of time in that position.

The following qualified staff and medical professionals performed medical review determinations for SMRT in fiscal year 2015:

- MD - 21 years with Social Security and three years with SMRT.
- Registered Nurse, Public Health Nurse -17 years completing SMRT determinations.
- Clinical Reviewer - eight years with Social Security and four years with SMRT.
- Appeals Attorney -10 years of experience with Social Security disability law and policy and three years representing SMRT in appeals.
- Eight disability case managers - combined 43 years with Social Security and 32 years with SMRT.

These professionals have **141 combined years of experience** performing Social Security disability reviews for Social Security and the SMRT.

VII. Summary

Prior to fiscal year 2009, referrals were stable with modest and predictable annual increases. Legislative and policy changes implemented between fiscal year 2009 and 2012 led to significant increases in referrals each year. In 2012, referrals dropped and then slowly stabilized. For the first time since 2009, SMRT established useable baseline and performance data and implemented small scale initiatives to improve processes. The stability of referrals for fiscal year 2013 allowed SMRT to improve some previously labor intensive processes.

In fiscal year 2014, SMRT implemented continuous improvement strategies. Beginning January 2014, counties no longer collected forms and medical evidence prior to submitting a referral to SMRT. This eliminated the significant waiting periods clients experienced before SMRT even received a referral and allowed for the accurate reporting of the total time it took to process a case. The responsibility for collecting records was also transferred to SMRT, which increased the number of days from a referral to a decision. This is seen in fiscal year 2015, as the number of days from referral to decision increased to 79 days.

Although SMRT has seen an overall decrease in the number of referrals for 2015, several factors, including the timing for which referrals were received, increased county worker confusion, and new system developments caused an increase in the workload for SMRT.