

 **DEPARTMENT OF
HUMAN SERVICES** **Legislative Report**

Activities of the State Medical Review Team Fiscal Year 2018

Health Care Eligibility and Access

February 2019

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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 \$2,557.

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I. Executive summary

The Minnesota Department of Human Services' State Medical Review Team (SMRT) disability certification establishes a basis of eligibility for Medical Assistance (MA), Minnesota's Medicaid program. Counties submit referrals to SMRT on behalf of their clients when a disability certification is necessary. SMRT completes disability determinations according to criteria defined by the Social Security Administration (SSA).

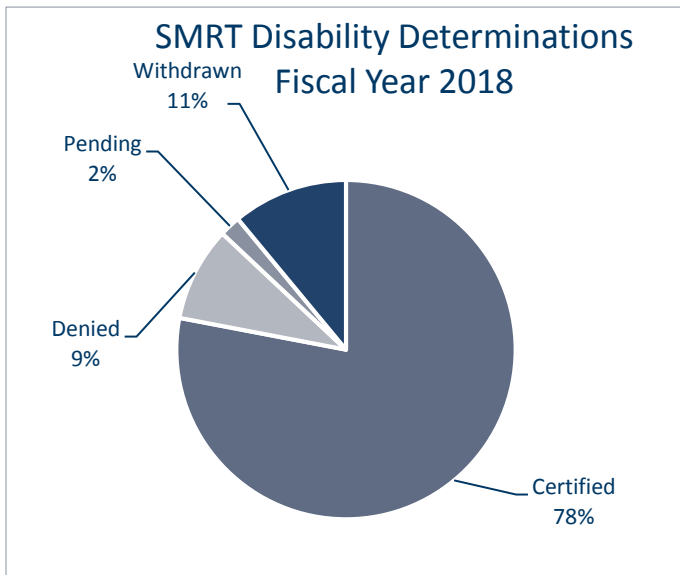
For clients who meet the SSA criteria, SMRT certifies disability for a period of one to seven years. At the end of the certification period, SMRT examines new medical evidence to determine whether the client's impairment has improved. In fiscal year 2018, 23 percent of disability determinations were Continuing Disability Reviews (CDR).

The SMRT received 7,200 referrals in fiscal year 2018:

- The average SMRT client was 24 years old.
- 62% did not have health care coverage at referral.
- 30% had an active application for SSA disability benefits.
- 12% were in the hospital in the three months before they were referred to SMRT.

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

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

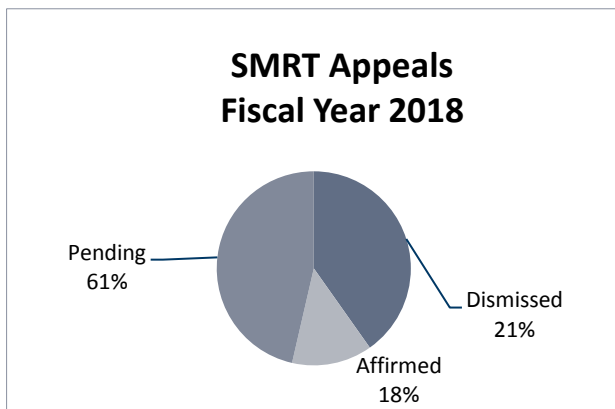


Of the 7,200 FY2018 referrals, the SMRT

- certified 5,664 (78 percent)
- denied 625 (9 percent)
- pending 133 (2 percent)

Clients withdrew 778 referrals (11 percent).

Of the 625 denials, 33 (5 percent) were appealed. The DHS appeals office ruled on these appeals as follows:



- 7 were dismissed (21 percent)
- 6 were affirmed (18 percent)
- 20 are pending (61 percent)
- 0 were overturned (0 percent)

The average length of time from DHS receipt of an appeal request to a decision was **102 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 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 and Appeals & Regulations.
- 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 \$2,557.

IV. Background

SMRT performs disability determinations for Minnesotans 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. The five steps are:

1. Financial screens to identify applicants who work and are engaged in substantial gainful activity (SGA). To be eligible for benefits, a person cannot receive employment income that is greater than the SGA. In 2019, SGA is \$1,220 for people who are not blind and \$2,040 for people who are blind. A person engaged in SGA is not eligible for disability benefits.
2. A medical screen to determine whether applicants have a severe impairment.
3. A medical screen to determine whether applicants have a severe impairment or combination of impairments that meet or equal the SSA Child or Adult Medical Listings. Applicants that meet or equal a listing are allowed without further evaluation.
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 Tax Equity and Fiscal Responsibility Act of 1982 (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 MA applicants and clients.
2. SMRT mails the client information on SMRT and the process and assigns a case manager.
3. The case manager interviews the client, determines what medical evidence they need, requests medical records from providers, and sets-up medical exams if necessary.
4. Case specialists capture and index all medical evidence received by fax and mail.

5. Case managers make most disability decisions and follow an escalation protocol for complex cases. This allows for a case decision at the earliest possible point in the determination process.
6. Case specialists screen cases nearing a certification end date to determine if a Continuing Disability Review (CDR) is needed and generate a referral when necessary.
7. Case managers repeatedly attempt to contact a client by phone and mail or through social workers or others. 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.
8. A SMRT certification establishes a basis of eligibility for MA, including waiver programs, TEFRA and Medical Assistance for Employed Persons with Disabilities (MA-EPD).
9. 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, SMRT can certify children for up to four years.

At the end of the certification period, SMRT may complete a continuing disability review (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 2018, 23 percent of disability determinations were Continuing Disability Reviews (CDR).

V. Methodology

The data used in this report came from two sources:

1. SMRT case management system
2. The state's data warehouse, specifically the Medicaid Management Information System (MMIS) and MAXIS. MMIS is the claims payment system and MAXIS is the legacy eligibility system.

The SMRT case management system 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 case management system is searchable via query in Crystal Reports, cross-checked against original documents and matched against data from MMIS and MAXIS through the state's data warehouse.

DHS staff analyzed referrals and appeals received from July 1, 2017, through June 30, 2018, through to their completion, including case decisions made after the date range.

A SMRT data specialist extracted data from the SMRT case management system on November 16, 2018. This data was sufficient to complete the statutory requirements in paragraphs (1) and (2); the number of appeals, appeal results, and the length of time from appeal request to written decision in paragraph (3); and the age requirement in paragraph (4).

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 DHS' Health Care Research and Quality Division extracted the following data from the state's data warehouse on December 6, 2018:

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

SMRT staff 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 three fiscal years**. The rise and fall of referrals is usually the result of policy and systems changes that occur within that fiscal year.

Fiscal Year	Number of SMRT referrals	Change from Previous Fiscal Year
2016	5,001	-7%
2017	6,840	+37%
2018	7,200	+5%

In fiscal year 2016, SMRT rolled a new case management system out to county workers statewide. The ongoing work of testing, adjusting, and retesting system functionality to ensure the system met business needs resulted in additional work for SMRT staff. The new case management system was designed to streamline the SMRT referral process for counties to make it as efficient as possible. As counties began using the new case management system to refer individuals, referrals became more consistent and predictable.

Fiscal year 2017 saw a dramatic increase in referrals. A significant number of MA enrollees are disability waiver program recipients. Individuals must have a certification of disability from SMRT or SSA to access disability waiver services. Notably, the Community Access for Disability Inclusion (CADI) waiver has the largest enrollment of all the disability waivers. The legislature removed the cap on enrollment for the CADI waiver during the 2015-2016 biennium.¹ This resulted in a significant increase in CADI waiver recipients. In FY 2016 the number of CADI waiver recipients totaled 24,012. This increased to 26,967 in FY 2017, and 30,117 in FY 2018. CADI waiver recipient enrollment is projected to increase through FY 2023.² CADI waiver recipient enrollment increased 25% from 2016- 2018. This correlates to a 44% increase in SMRT referrals over the same period of time.

¹ [DSD Legislative Report: Disability Waiver Financial Management and Waiting Lists: December 2017](#) , page 9

² Department of Human Services, Reports and Forecasts Division, November 2018 Background Forecast Table B3: Disabled Waiver (CADI)

Another factor contributing to the increase in referrals relates to the continuing disability review process. In 2017, SMRT took over the process of initiating the referral for a continuing disability review from the counties. This eliminated issues in the continuing disability review process at the county level that delayed case processing. As referrals increase there is also a correlating increase in continuing disability reviews. We see those increases over time as cases come up for review.

Finally, the 2016 American Community Survey reported that the percentage of Minnesotans reporting one or more disabilities increase with age, so as Minnesota's population ages we expect to see greater number of individuals with disabilities.

B. Individual Report Results

Minnesota Statutes, section 256.01, subdivision 29(c):

- c) 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 2018, the SMRT received a total of **7,200 referrals**. Of the 7,200 referrals, 5,526 or 77 percent were new cases and 1,674 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.³
4. **Pending:** the case was still pending or under review at the time the data was pulled.

³ In some cases, if a person became eligible for Social Security Income (SSI) or Retirement Survivors Disability Income (RSDI), the SMRT withdrew the case because a SMRT determination was no longer necessary.

Outcome	Number	Percent
Certified	5,664	79%
Denied	625	9%
Withdrawn	778	11%
Pending	133	1%

Minnesota Statutes, section 256.01, subdivision 29(c):

- c) 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 2018, the average time from receipt of the referral to a disability decision was **79 days**.

Minnesota Statutes, section 256.01, subdivision 29(c):

- c) The commissioner shall provide...the following information on the activities of the state medical review team...:
 - 3) the number of appeals, appeal results and 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 **33 appeals** on cases that SMRT denied in fiscal year 2018. There are four possible outcomes of appeals:

1. **Dismissed:** the DHS Appeals Office dismissed the appeal. In most dismissals, additional information was received and the case was returned to SMRT for a determination.
2. **Affirm:** The DHS Appeals Office conducted a fair hearing and agreed with the original SMRT 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	7	21%
Affirm	6	18%
Overtured	0	0%
Pending	20	61%

The average length of time from the appeal request to an appeal decision was **102 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.

Minnesota Statutes, section 256.01, subdivision 29(c):

- c) 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 2018, the **average age** of a SMRT applicant **was 24**.

“Health coverage at the time of application” is defined as any known third-party liability insurance coverage on the date of application. Of **7,200 applicants, 1,958 or 27 percent**, had third-party liability insurance coverage on the date of application.

Third-party liability	Number	Percent of total
Yes	1,958	27%
No	4,498	62%
Unknown	744	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.

Of 7,200 applicants, **898 or 12 percent**, were hospitalized in the **3 months prior** to the date of application.

Hospitalized 3 months prior to application date	Number	Percent of total
Yes	898	12%
No	6,302	88%

Of 7,200 applicants, **590 or 8 percent** were hospitalized in the **3 months after** the date of application.

Hospitalized 3 months after application date	Number	Percent of total
Yes	590	8%
No	6,610	92%

“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 Supplemental Security Income (SSI) and/or Retirement, Survivors, and Disability Insurance (RSDI), and then filtered again to include only applicants whose status was listed as “appealing,” “denied,” “eligible,” or “pending.”

Of 7,200 applicants, **2,158 or 30 percent**, had an application for SSI or RSDI pending with the Social Security Administration on the date they applied.

Minnesota Statutes, section 256.01, subdivision 29(c):

- c) 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.

The following qualified staff performed medical review determinations for SMRT in fiscal year 2018:

- Clinical Reviewer: 13 years with Social Security and three years with SMRT.
- Appeals Specialist: Nine years of Social Security disability law and policy and four months with SMRT.
- 10 disability case managers: 69 combined years with Social Security disability reviews and 34 years with SMRT. These professionals have **128 combined years of experience** performing Social Security disability reviews.

VII. Summary

In January 2016, SMRT deployed a new case management system. Over the next six months, SMRT staff used and refined system processes while implementing a statewide phased roll out of the system to county workers. The new system provides an automated referral process and easy access for county workers to check the status of a case. While the successful implementation of this new system was a big achievement for DHS and SMRT, SMRT workloads remained high throughout the process. Testing and maintenance of the SMRT case management system requires an ongoing high level of involvement of some SMRT staff.

In fiscal year 2017, SMRT expanded system access to include county social services staff through a pilot program. SMRT staff were also heavily involved with testing system functionality as a result of system upgrades and other changes. At the same time, SMRT had to keep up with a 37% increase in referrals. This trend continued with a 5% increase in Fiscal year 2018 and is projected to continue in fiscal year 2019. Staff will continue to be involved in ongoing system changes while managing an increased workload.