

**Addiction and Prevention Services
State Quality Committee**

This report shows the number of authorization denials and appeals. Only the VO-KS Medical Director or equivalent can issue a denial for care based upon medical necessity. Providers/members can appeal denials (please see clinical and admin appeal policies on the VO-KS website for more information).

Please note: for medical necessity denials, if the provider and the VO-KS clinician agree to a level of care other than what was originally requested, a denial would not be issued. Denials are issued when an agreement can not be reached.

AGGREGATE ANALYSIS REPORT

Final

Reporting Period

FROM: April 1, 2010

TO: June 30, 2010

***Includes FY2010 Annual Summary**

Unit/Team/Department:

PIHP Quality Improvement

Topic/Project:

Grievance and Appeals

Appeals Summary (VO # 18, Grid Row #13)

Monitoring Standard:

42 CFR 438.240 Quality Assessment and Performance Improvement Program

42 CFR 438.402 General requirements

42 CFR 438.404 Notice of Action

42 CFR 438.408 Resolution and notification

42 CFR 438.420 Continuation of benefits while the MCO or PIHP appeal and the State Fair Hearing are pending

42 CFR 438.280 Effectuation of reversed appeals resolutions

42 CFR 438.420 Continuation of benefits while the MCO or PIHP appeal and the State Fair Hearing are pending

42 CFR 438.424 Effectuation of reversed appeal resolutions

Goal:

The PIHP will track and report quarterly to SRS/AAPS all denials and appeals that have occurred in a given quarter including timeline compliance. The standards are:

- Standard for Denial letter notification:
 - Treatment modality Level I, II, and all others except Level III: Denial letters must be sent within 14 days of the determination (100%)
 - Treatment modality Level III: Denial letters must be sent within 3 days of the determination (100%)
- Appeals:
 - 95% resolved within 14 days receipt of all required documentation
 - 100% resolved within 45 calendar days

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Objectives:

To assure the documentation is capturing both clinical (medical necessity) and administrative denials and appeals

To evaluate for trends that may require system intervention or education

To allow data to be presented consistently for Committee evaluation and response

Data Collection Activities:

Data was collected from ValueOptions CareConnect System. Denials and Appeals reporting will be provided by region, funding, and detail. Denials and Appeals are categorized as administrative and medical necessity. Reporting will also include State Fair Hearing data.

Definitions of Administrative and Medical Necessity denials:

Administrative Denial (or “Administrative Determination”) – A denial of services, or claims payment for services, based on reasons other than a lack of medical necessity. Examples of administrative denials include the provider is not licensed to provide the service requested, the member is AAPS eligible but the service requested is only available to Medicaid recipients, or the continued stay review (CSR) was submitted late.

Medical Necessity Denial- A denial of services or claims payment for services based on a review of clinical criteria (ASAM) compared to documentation provided. Only a physician who is certified by ASAM, or a psychologist/psychiatrist with extensive demonstrated substance abuse experience shall make decisions not to fully authorize a request for service based on medical necessity.

*More data available in Attachment A at the end of this report.

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Results:

Denials/Appeals by Funding:

Appeals by Funding



Date of Submission:

Reporting Period: April 1, 2010 through June 30, 2010

FUNDING SOURCE	NUMBER OF DENIALS	NUMBER OF APPEALS	UPHELD	OVERTURNED
Medicaid	54	5	3	2
AAPS	118	9	5	4
Total	170	14	8	6

Total Number of Denials Received in this Reporting Period: 170

Percentage of Level 3 Denial letters sent within 3 days: 100%

Percentage of Denial letters sent within 14 days: 100%

Total Number of Appeals Received in this Reporting Period: 14

Percentage of appeals resolved within 14 days: 100%

Percentage of appeals resolved within 45 days: 100%

No denials or appeals were requested to be expedited during this reporting period.

**This summary report only includes appeals submitted in this reporting period. The appeals which are pending for internal reviews or Fair Hearings are carried over and reported

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Denials/Appeals by Region AAPS:

AAPS Appeals by Region

Reporting Period: April 1, 2010 through June 30, 2010



REGION	DENIALS		APPEALS		RESULTS	
	Administrative	Medical Necessity	Administrative	Medical Necessity	Upheld	Overtured
Kansas City	3	25	0	0	0	0
Wichita	4	10	0	0	0	0
West	1	10	0	2	1	1
Northeast	6	20	2	2	3	1
South Central	4	15	0	3	1	2
Southeast	0	18	0	0	0	0
Total	18	98	2	7	5	4

Total number of AAPS Denials received within this reporting period: **116**

Percentage of Denial letters sent within 3 days for residential or higher: **100%**

Percentage of Denial letters sent within 14 days: **100%**

Total number of AAPS Appeals received within this reporting period: **9**

Percentage of Appeals sent within 14 days: **100%**

Percentage of Appeals sent within 45 days: **100%**

There were no requests for State Fair Hearings during this quarter.

**This summary report only includes appeals submitted in this reporting period. The appeals which are pending for internal reviews or Fair Hearings are carried over and reported in the detailed reports under appropriate funding sources.

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Denials/Appeals by Region Medicaid:

Medicaid Appeals by Region

Reporting Period: April 1, 2010 through June 30, 2010



REGION	DENIALS		APPEALS		RESULTS	
	Administrative	Medical Necessity	Administrative	Medical Necessity	Upheld	Overturned
Kansas City	0	15	1	0	1	0
Wichita	2	11	0	0	0	0
West	0	2	0	0	0	0
Northeast	3	10	0	2	1	1
South Central	1	8	1	0	1	0
Southeast	0	2	0	1	0	1
Total	6	48	2	3	3	2

**On 4/14/10, a provider from the Kansas City region filed an administrative appeal for a denial done on 3/16/10.*

Total number of Medicaid Denials received in this reporting period: **54**

Percentage of Denial letters sent within 3 days for residential or higher: **100%**

Percentage of Denial letters sent within 14 days: **100%**

Total number of Medicaid Appeals received in this reporting period: **5**

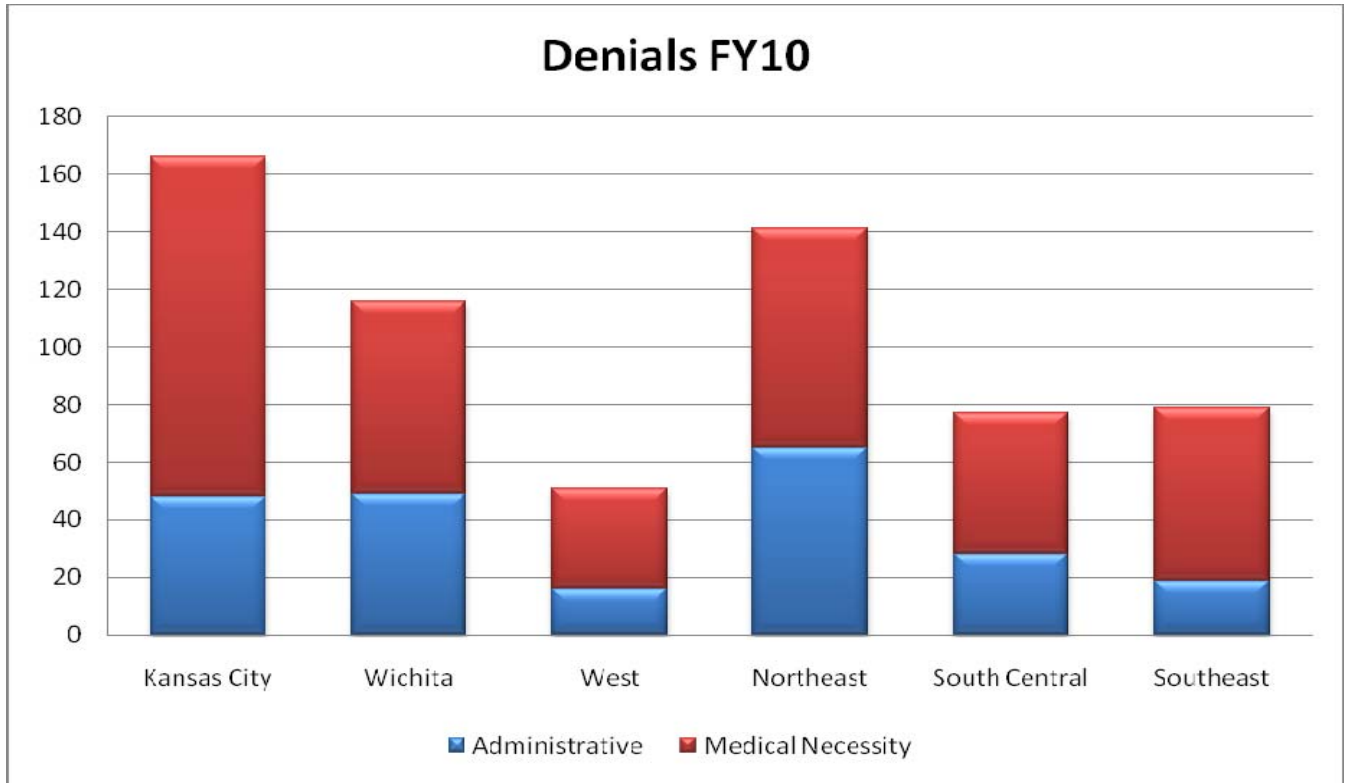
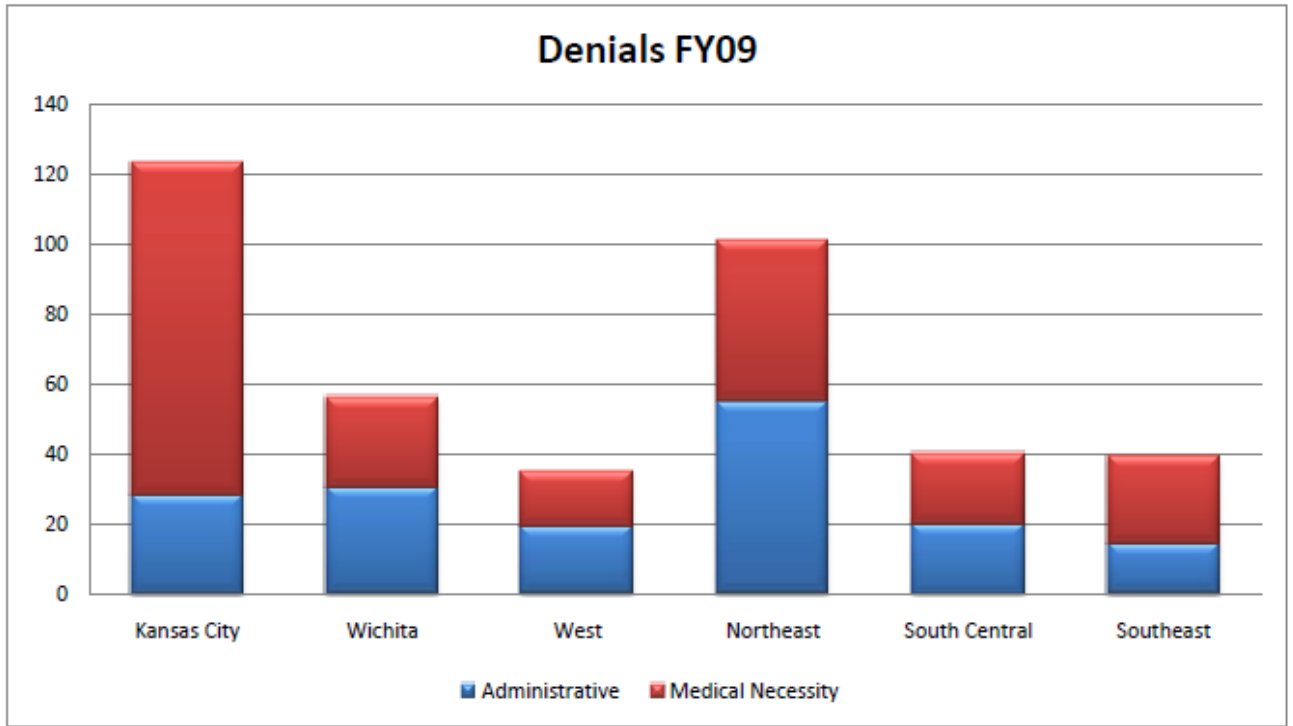
Percentage of Medicaid Appeals sent within 14 days: **100%**

Percentage of Medicaid Appeals sent within 45 days: **100%**

There were no requests for State Fair Hearings during this quarter.

**This summary report only includes appeals submitted in this reporting period. The appeals which are pending for internal reviews or Fair Hearings are carried over and reported in the detailed reports under appropriate funding sources.

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Annual FY 09 Summary Appeal Data:

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	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Administrative	0	0	4	7	11
Medical Necessity	0	7	8	3	18
Total	0	7	12	10	29

Annual FY 10 Summary Appeal Data:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Administrative	12	16	5	4	37
Medical Necessity	1	6	10	10	27
Total	13	22	15	14	64

Conclusions:

Fourth Quarter FY10:

- There were 170 denials reported fourth quarter.
 - This reflects an increase in denials from third quarter (3rd qtr FY10 = 152 total).
 - Most denials were in AAPS funded:
 - AAPS = 116 total or 68%
 - Medicaid = 54 total or 32%
 - 24 were Administrative denials and 146 were Medical Necessity denials.
 - The reason for all Medical Necessity denials was “Client did not meet ASAM criteria”.
 - The reason for all Administrative denials was “Administrative denial for timeliness”
 - Most denials reported (medical necessity and administrative) were in the Kansas City region (43 of 170 or 25.3%).
 - The most administrative denials reported this quarter was in the Northeast region (9 of 24 or 37.5%)
 - The most medical necessity denials reported was in the Kansas City region (40 of 146 or 27.4%)
- There were fourteen (14) appeals reported fourth quarter.
 - This reflects a slight decrease of appeals from 3rd quarter (3rd qtr FY10 = 15).
 - Eight (8) appeals were upheld statewide and six (6) appeals were overturned.
- There were no requests for State Fair Hearings initiated during this quarter.

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Standards:

- Standard for Denial letter notification:
 - **Level III: All of the Level III denial letters met the timeframe (100%), therefore, met standard.**
 - **Other Denials (Level I and II): All other denial letters met the timeframe (100%), therefore, met standard.**

- Appeals:
 - **Appeal time frames were met at 100%, and therefore, met standard for both.**

Annual Summary FY10 (July 1, 2009 – June 30, 2010):

- There were 630 denials reported in FY2010
 - This reflects an increase in denials from FY2008 and FY2009 (FY2008 = 113 total, FY2009 = 394).
 - Most denials were in the AAPS funding source:
 - AAPS = 440 total or 69.8%
 - Medicaid = 190 total or 30.2%
 - In FY2010, most denials reported (medical necessity and administrative) were in the Kansas City region (166 or 26.3%) and the least in the West region (51 or 8.1%).
 - The most administrative denials reported were in the Northeast region (65 or 28.89%) and the least in the West region (16 or 7.1%).
 - The most medical necessity denials reported were in the Kansas City region (118 or 29.1%). This percentage continues to appear high compared to the other regions. The least medical necessity denials reported were in the West region (35 or 8.6%).

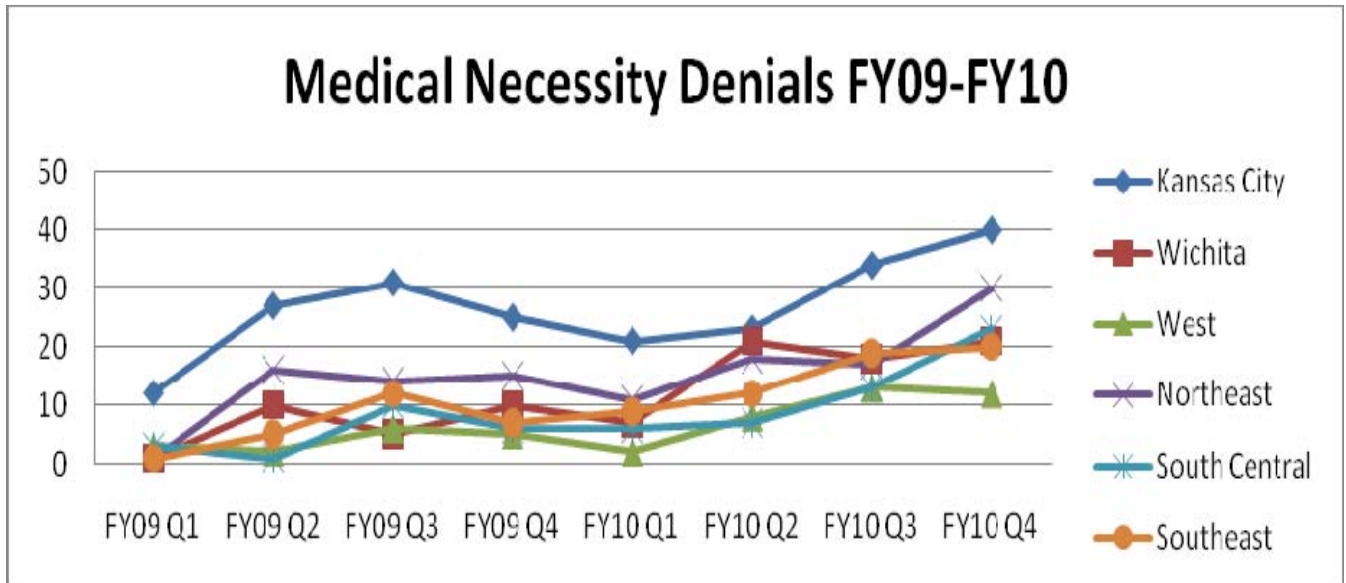
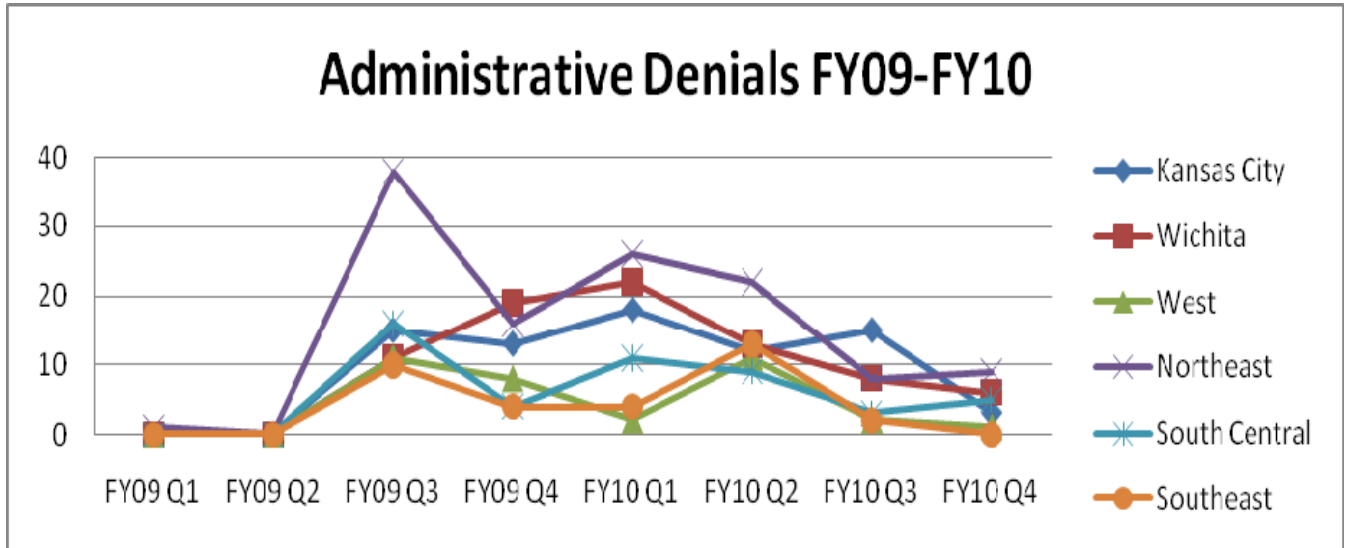
- There were sixty-four (64) appeals reported in FY2010.
 - This reflects an increase in appeals from FY2008 and FY2009 (FY2008 = 14, FY2009 = 29).
 - Twenty-eight (28) appeals were upheld statewide and thirty-six (36) appeals were overturned.

- There was one State Fair Hearing requested in FY2010.

- It was noted in FY10 Q3 Aggregate Analysis that the number of administrative denials reported appear to be decreasing this fiscal year, while the number of medical necessity denials reported have been increasing. VO conducted research and provided outreach to providers. It was noted that VO may provide additional outreach based on this quarter's report.

A graph has been created for FY09 –FY10 to illustrate trending by region for Administrative and Medical Necessity Denials below:

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Preliminary Recommendations to Committee:

- It is recommended to the Committee that data trending continue.
- Approval by the Committee is requested to post this aggregate analysis on the ValueOptions website for public access.
- **It is noted that VO-KS reviewed a quick reference Grievance, Denials and Appeals tip sheet at the October 2010 Regional QI Committee meetings. This tip sheet is also posted on the VO-KS website and is shared at KCPC trainings for new providers.**
- **It is recommended by the Committee that the frequency of the report submission by VO and aggregate by the State be changed to semi-annual as longer time frames allow for improved data trending as data can vary significantly from quarter to quarter.**

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Date Presented to SQC: 11/4/2010

BY: Cissy McKinzie

Recommendations from the Committee for action: Committee approves of the Preliminary Recommendations as shown above. Enhancements made by the SQC to the Preliminary Recommendations are noted above in **bold**.

Person Responsible to follow-up and date due: Kim Brown Due: 2/10/2011

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ATTACHMENT A: DATA

Annual FY 10 Summary Denial Data:

Region	Administrative					Medical Necessity					Grand Totals
	1st	2nd	3rd	4th	Total	1st	2nd	3rd	4th	Total	
Kansas City	18	12	15	3	48	21	23	34	40	118	166
Wichita	22	13	8	6	49	7	21	18	21	67	116
West	2	11	2	1	16	2	8	13	12	35	51
Northeast	26	22	8	9	65	11	18	17	30	76	141
South Central	11	9	3	5	28	6	7	13	23	49	77
Southeast	4	13	2	0	19	9	12	19	20	60	79
Total ALL	83	80	38	24	225	56	89	114	146	405	630

Total Denials for the year to date: 630

Annual FY 09 Summary Denial Data:

Region	Administrative					Medical Necessity					Grand Totals
	1st	2nd	3rd	4th	Total	1st	2nd	3rd	4th	Total	
Kansas City	0	0	15	13	28	12	27	31	25	95	123
Wichita	0	0	11	19	30	1	10	5	10	26	56
West	0	0	11	8	19	3	2	6	5	16	35
Northeast	1	0	38	16	55	1	16	14	15	46	101
South Central	0	0	16	4	20	3	1	10	6	20	40
South East	0	0	10	4	14	1	5	12	7	25	39
Total ALL	1	0	101	64	166	21	61	78	68	228	394

Total Denials for the year to date: 394

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Annual FY 08 Summary Denial Data:

Region	Administrative					Medical Necessity					GrandTotals
	1st	2nd	3rd	4th	Total	1st	2nd	3rd	4th	Total	
Kansas City	8	0	1	0	9	5	2	12	9	28	37
Wichita	14	0	1	0	15	1	0	0	0	1	16
West	7	4	1	0	12	6	1	2	2	11	23
Northeast	6	3	5	0	14	1	0	2	0	3	17
South Central	5	3	2	0	10	2	1	1	0	4	14
South East	2	0	0	0	2	3	1	0	0	4	6
Total ALL	42	10	10	0	62	18	5	17	11	51	113

Total Denials for the year: 113

Total Appeals for the year: 14 (12.4 % of denials were appealed.)