

**Addiction and Prevention Services
State Quality Committee**

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.

See next page for results

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Results:

Denials/Appeals by Funding:

Appeals by Funding



Date of Submission:
Reporting Period: January 1, 2010 through March 31, 2010

Funding Source	Number of Denials	Number of Appeals	Upheld	Overtured
Medicaid	41	7	3	4
AAPS	111	8	4	4
Total	152	15	7	8

Total Number of Denials Received in this Reporting Period: **152**

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: **15**

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 in the detailed reports under appropriate funding sources.

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Denials/Appeals by Region AAPS:

AAPS Appeals by Region

Reporting Period: January 1, 2010 through March 31, 2010



Region*	DENIALS		APPEALS		RESULTS	
	Administrative	Medical Necessity	Administrative	Medical Necessity	Upheld	Overturned
Kansas City	12	26	1	2	2	1
Wichita	6	12	0	0	0	0
West	2	9	0	1	0	1
Northeast	6	12	1	2	1	2
South Central	0	7	0	1	1	0
Southeast	1	18	0	0	0	0
Total	27	84	2	6	4	4

Total number of AAPS Denials received within this reporting period: 111

Percentage of Denial letters sent within 3 days for residential or higher: 100.0%
 Percentage of Denial letters sent within 14 days: 100.0%

Total number of AAPS Appeals received within this reporting period: 8

Percentage of Appeals sent within 14 days: 100%
 Percentage of Appeals sent within 45 days: 100%

**This summary report only includes appeals submitted in this reporting period. The appeals which are pending for internal reviews 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: January 1, 2010 through March 31, 2010

Region*	DENIALS		APPEALS		RESULTS	
	Administrative	Medical Necessity	Administrative	Medical Necessity	Upheld	Overturned
Kansas City	3	8	0	1	0	1
Wichita	2	6	1	1	0	2
West	0	4	0	0	0	0
Northeast	2	5	1	1	1	1
South Central	3	6	1	1	2	0
Southeast	1	1	0	0	0	0
Total	11	30	3	4	3	4

Total number of Medicaid Denials received in this reporting period: **41**

Percentage of Denial letters sent within 3 days for residential or higher: **100%**
 Percentage of Denials letters sent within 14 days: **100%**

Total number of Medicaid Appeals received in this reporting period: **7**

Percentage of Medicaid Appeals sent within 14 days: **100%**
 Percentage of Medicaid Appeals sent within 45 days: **100%**

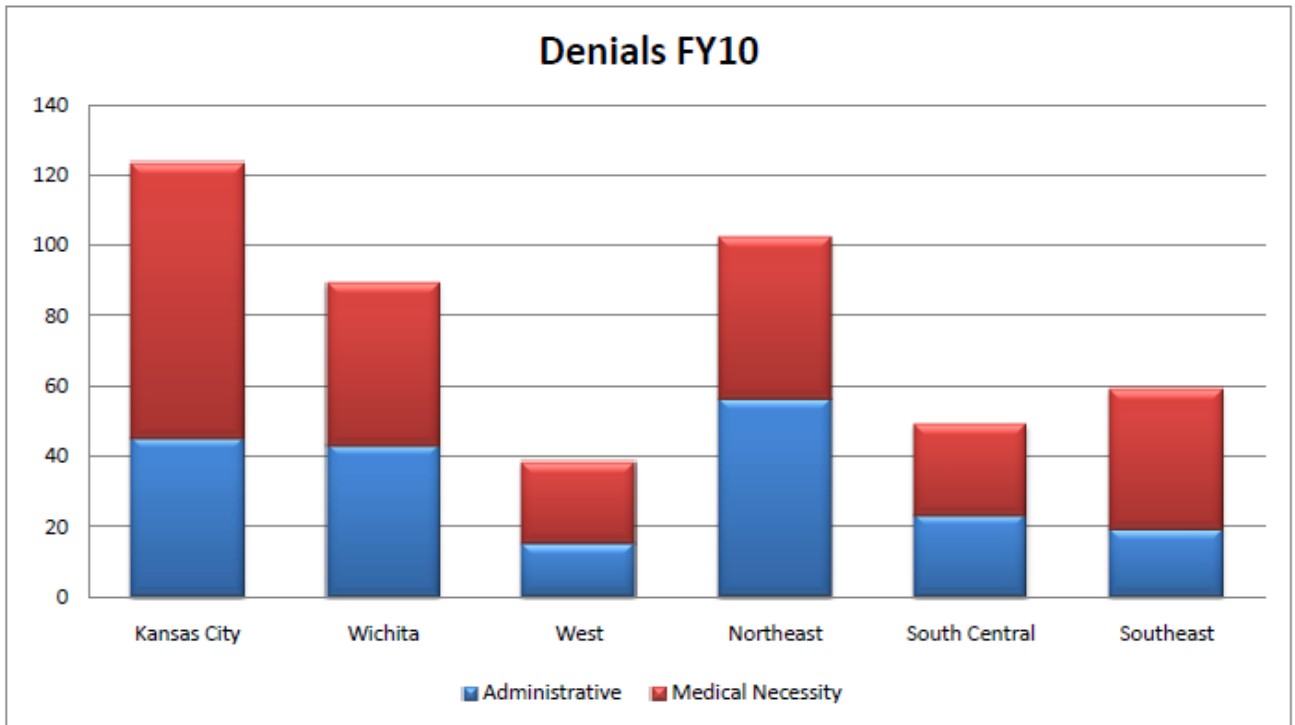
**This summary report only includes appeals submitted in this reporting period. The appeals which are pending for internal reviews are carried over and reported in the detailed reports under appropriate funding sources.

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		45	21	23	34		78	123
Wichita	22	13	8		43	7	21	18		46	89
West	2	11	2		15	2	8	13		23	38
Northeast	26	22	8		56	11	18	17		46	102
South Central	11	9	3		23	6	7	13		26	49
Southeast	4	13	2		19	9	12	19		40	59
Total ALL	83	80	38		201	56	89	114		259	460

Total Denials for the year to date: 460

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Annual FY 10 Summary Appeal Data:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Administrative	12	16	5		33
Medical Necessity	1	6	10		17
Total	13	22	15		50

Conclusions:

Third Quarter FY10:

- There were 152 denials reported third quarter.
 - This reflects a decrease in denials from second quarter (2nd qtr FY10 = 169 total).
 - Most denials were in AAPS funded:
 - AAPS = 111 total or 73%
 - Medicaid = 41 total or 27%
 - 38 were Administrative denials and 114 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”

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- Most denials reported (medical necessity and administrative) were in the Kansas City region (49 of 152 or 32.2%).
- The most administrative denials reported this quarter was in the Kansas City region (15 of 38 or 39.5%)
- The most medical necessity denials reported was in the Kansas City region (34 of 114 or 29.8%)
- There were fifteen (15) appeals reported third quarter.
 - This reflects a decrease of appeals from 2nd quarter (2nd qtr FY10 = 22).
 - Seven (7) appeals were upheld statewide and eight (8) appeals were overturned.
- There was one State Fair Hearing initiated during this quarter.

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.**

Preliminary Recommendations to Committee:

- It is recommended to the Committee that data trending continue.
- It is noted 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, particularly in the Kansas City region. **VO research indicates this was primarily due to one provider's denial rate tripling and denials to fourteen providers who did not have a medical necessity denial in the previous quarter. Outreach has been conducted as a result of the increase and based on next quarters report, additional outreach may be provided.**
- **Approval by the Committee is requested to post this aggregate analysis on the ValueOptions website for public access.**
- **The draft Aggregate Analysis presented to the Committee did not show the one (1) State Fair Hearing that occurred this quarter. Please note that this has been corrected on this Final AA.**

Date Presented to SQC: 5/6/2010

BY: Cissy McKinzie

Recommendations from the Committee for action: Recommendation and changes made by the SQC to the Preliminary Recommendations and Conclusions are noted above in **bold**.

Person Responsible to follow-up and date due: Kim Brown Due: 8/11/2010