

**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:** January 1, 2009

**TO:** March 31, 2009

**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

## **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.

## Addiction and Prevention Services State Quality Committee

### Results:

### Denials/Appeals by Funding:

#### Appeals by Funding



Date of Submission:  
Reporting Period: January 1, 2009 - March 31, 2009

Funding Source	Number of Denials	Number of Appeals	Appeals Upheld	Appeals Overturned
Medicaid	37	3	0	3
Block Grant	142	9	3	6
<b>Total</b>	<b>179</b>	<b>12</b>	<b>3</b>	<b>9</b>

Total Number of Denials Received in this Reporting Period: 179  
 Percentage of Denials Letters sent within 3 days for Level III: 100%  
 Percentage of Denials Letters sent within 14 days: 100%

Total Number of Appeals Received in this Reporting Period: 12  
 Percentage of Appeal Letters sent within 14 days: 100%  
 Percentage of Appeal Letters sent within 45 days: 100%

There were no State Fair Hearings during this quarter.  
 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.**

Since this was the first time administrative denials were enforced, the first administrative appeal per provider was overturned to make sure providers understood the appeals process

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**Denials/Appeals by Region AAPS:**

**Appeals by Region AAPS**

Reporting Period: January 1, 2009 - March 31, 2009



Region*	DENIALS		APPEALS		APPEAL RESULTS	
	Administrative	Medical Necessity	Administrative	Medical Necessity	Upheld	Overtured
Kansas City	12	27	0	3	1 (Medical)	2 (Medical)
Wichita	7	4	1	1	0	1 (Medical) 1 (Admin)
West	10	5	0	0	0	0
Northeast	31	8	0	1	1 (Medical)	0
South Central	12	8	1	2	1 (Medical)	1 (Medical) 1 (Admin)
Southeast	9	9	0	0	0	0
<b>Total</b>	<b>81</b>	<b>61</b>	<b>2</b>	<b>7</b>	<b>3</b>	<b>6</b>

Total Number of Denials Received in this Reporting Period: 142  
 Percentage of Denials Letters sent within 3 days for residential or higher: 100%  
 Percentage of Denials Letters sent within 14 days: 100%

Total Number of Appeals Received in this Reporting Period: 9  
 Percentage of Appeal Letters sent within 14 days: 100%  
 Percentage of Appeal Letters sent within 45 days: 100%

There were no State Fair Hearings during this quarter.  
 Since this was the first time administrative denials were enforced, the first administrative appeal per provider was overturned to make sure providers understood the appeals process.

**\*\*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.**

Since this was the first time administrative denials were enforced, the first administrative appeal per provider was overturned to make sure providers understood the appeals process

**Denials/Appeals by Region Medicaid:**

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### Appeals by Region Medicaid

Reporting Period: January 1, 2009 - March 31, 2009



Region*	DENIALS		APPEALS		APPEAL RESULTS	
	Administrative	Medical Necessity	Administrative	Medical Necessity	Upheld	Overturned
Kansas City	3	4	0	1	0	1 (Medical)
Wichita	4	1	0	0	0	0
West	1	1	0	0	0	0
Northeast	7	6	2	0	0	2 (Admin)
South Central	4	2	0	0	0	0
Southeast	1	3	0	0	0	0
<b>Total</b>	<b>20</b>	<b>17</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>3</b>

Total Number of Denials Received in this Reporting Period: 37  
 Percentage of Denials Letters sent within 3 days for Residential or higher: 100%  
 Percentage of Denials Letters sent within 14 days: 100%

Total Number of Appeals Received in this Reporting Period: 3  
 Percentage of Appeal Letters sent within 14 days: 100%  
 Percentage of Appeal Letters sent within 45 days: 100%

There were no State Fair Hearings during this quarter.

Since this was the first time administrative denials were enforced, the first administrative appeal per provider was overturned to make sure providers understood the appeals process.

**\*\*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.**

Since this was the first time administrative denials were enforced, the first administrative appeal per provider was overturned to make sure providers understood the appeals process.

### 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
<b>Total ALL</b>	<b>42</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>62</b>	<b>18</b>	<b>5</b>	<b>17</b>	<b>11</b>	<b>51</b>	<b>113</b>

Total Denials for the year: 113

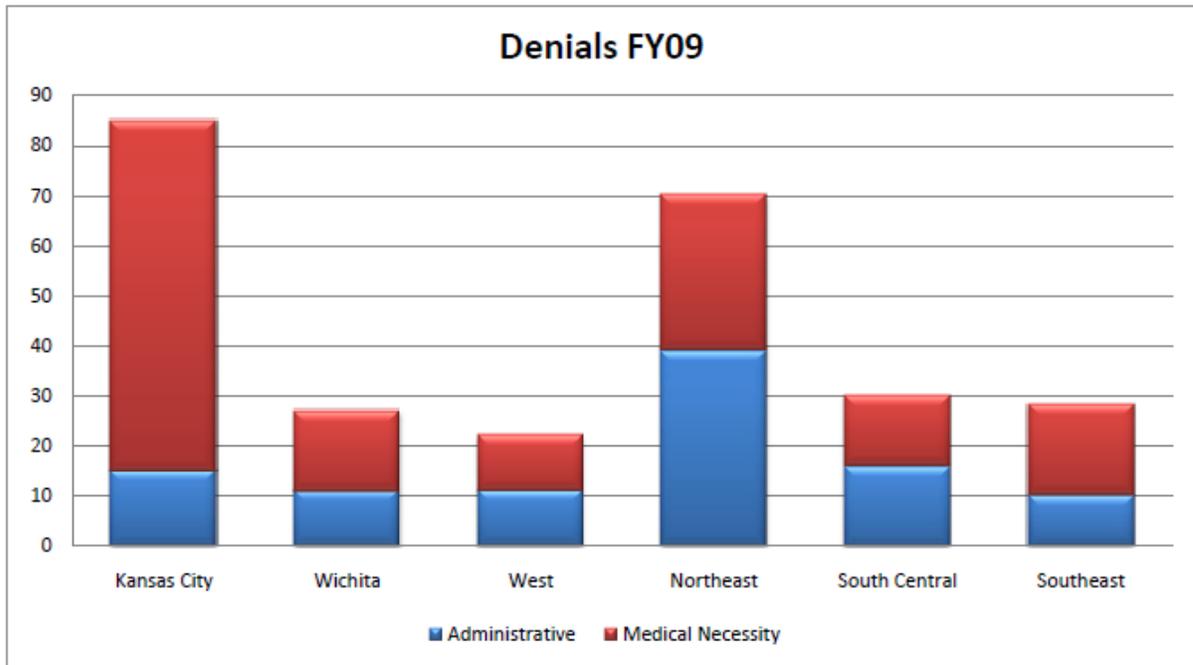
Total Appeals for the year: 14 (12.4 % of denials were appealed.)

### Annual FY 09 Summary Denial Data:

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Region	Administrative					Medical Necessity					GrandTotals
	1st	2nd	3rd	4th	Total	1st	2nd	3rd	4th	Total	
<b>Kansas City</b>	0	0	15		15	12	27	31		70	85
<b>Wichita</b>	0	0	11		11	1	10	5		16	27
<b>West</b>	0	0	11		11	3	2	6		11	22
<b>Northeast</b>	1	0	38		39	1	16	14		31	70
<b>South Central</b>	0	0	16		16	3	1	10		14	30
<b>South East</b>	0	0	10		10	1	5	12		18	28
<b>Total ALL</b>	1	0	101		102	21	61	78		160	262

**Total Denials for the year to date: 262**



**Annual FY 09 Summary Appeal Data:**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
<b>Administrative</b>	0	0	4		4
<b>Medical Necessity</b>	0	7	8		15

**Total Appeals for the year to date: 19**

**Conclusions:**

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- A recommendation from the Independent Assessment regarding Grievances/Appeals was that breakouts should be reported by funding source at all levels of aggregate reporting in order to document differential trends adequately. In response, the State requested ValueOptions to include a summary by funding source by Q4 FY09. ValueOptions complied and reporting is summarized by funding source and is shown above on page 3 and 4 of this Aggregate Analysis.
- Note that this was the first time administrative denials were enforced (see captions above from ValueOptions). A provider e-mail blast was sent on 12/22/08 to the VO-KS network discussing the need to enforce the administrative denial policy concerning timeliness of initial assessments and continued stay reviews. The information was restated on a Clinical Performance Improvement call and went into effect on 1/15/09. The VO-KS care managers gave an initial courtesy call to any provider who would potentially receive an administrative denial. The purpose of the call was to obtain additional information about why the review was late prior to issuing the denial. The VO-KS QI Department also offered a one-time overturn on the first administrative denial for a late review subsequent to the 1/15/09 policy enforcement. This was offered in order to give providers experience in submitting an administrative appeal.

**Third Quarter FY09:**

- There were 179 denials reported third quarter.
  - This reflects an increase in denials from second quarter (2nd qtr FY09 = 61 total).
  - This also reflects an increase compared to third quarter FY08 (3rd qtr FY08 = 27 total).
  - Most denials were in the AAPS funding source:
    - AAPS = 142 total or 79.3%
    - Medicaid = 37 total or 20.7%
  - Most denials were Outpatient:
    - Outpatient = 126 total or 70.4%
    - Residential = 53 total or 29.6%
  - Over half of the denials were Administrative (101 or 56.4%). The reason for all Medical necessity denials was “Medical necessity criteria not met”.
  - This quarter, most denials reported (medical necessity and administrative) were in the Northeast region (52 or 29.1%). The most administrative denials reported this quarter was in the Northeast region (38 or 37.6%) and the most medical necessity denials reported was in the Kansas City region (31 or 39.7%).
- There were twelve (12) appeals reported third quarter.
  - This reflects an increase in appeals from second quarter (2nd qtr FY09 = 7).
  - Three (3) appeals were upheld statewide and nine (9) appeals were overturned.
- There were no State Fair Hearings requested during this quarter.

**Standards:**

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- Standard for Denial letter notification:
  - Level III: Denial letters must be sent within 3 days of the determination (100%). **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:
  - 95% resolved within 14 days receipt of all required documentation;
  - 100% resolved within 45 calendar days;
  - **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 also recommended that ValueOptions continue to educate the providers on the appeal process and continue to provide focused education and outreach to the provider(s) with highest volume of denials reported.
- Approval by the Committee is also requested to share this aggregate analysis at the Regional QI meeting and to be posted on the ValueOptions website for public access.
- **It is noted by the Committee that on next quarter's report (FY09 Q4), administrative denials due to technical issues related to a KCPC update which occurred this quarter may impact the numbers of administrative denials. If this should occur, VO will add a notation to the report.**

**Date Presented to SQC:** 5/7/2009

**BY:** Kim Brown

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

**Person Responsible to follow-up and date due:** Kim Brown Due: 8/4/2009