

**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:** October 1, 2009

**TO:** December 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

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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.

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### Results:

### Denials/Appeals by Funding:

#### Appeals by Funding



Date of Submission:

Reporting Period: October 1st, 2009 - December 31st, 2009

Funding Source	Number of Denials	Number of Appeals	Upheld	Overtured
Medicaid	55	13	4	9
Block Grant	114	9	5	4
<b>Total</b>	<b>169</b>	<b>22</b>	<b>9</b>	<b>13</b>

Total Number of Denials Received in this Reporting Period: 169

Percentage of Level 3 Denial letters sent within 3 days: 99%

Percentage of Denial letters sent within 14 days: 100%

Total Number of Appeals Received in this Reporting Period: 22

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.**

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

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**Denials/Appeals by Region AAPS:**

**AAPS Appeals by Region**

Reporting Period: October 1, 2009 - December 31, 2009



Region*	DENIALS		APPEALS		RESULTS	
	Administrative	Medical Necessity	Administrative	Medical Necessity	Upheld	Overturned
Kansas City	9	19	1	1	1	1
Wichita	7	13	1	1	2	0
West	9	4	0	0	0	0
Northeast	16	11	1	1	2	0
South Central	4	6	1	0	0	1
Southeast	7	9	2	0	0	2
Total	52	62	6	3	5	4

Total number of AAPS Denials received within this reporting period: 114  
 Percentage of Denial letters sent within 3 days for residential or higher: 99%  
 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: October 1, 2009 - December 31, 2009

Region*	DENIALS		APPEALS		RESULTS	
	Administrative	Medical	Administrative	Medical	Upheld	Overturned
Kansas City	3	4	2	0	1	1
Wichita	6	8	1	2	0	3
West	2	4	0	0	0	0
Northeast	6	7	2	0	0	2
South Central	5	1	4	0	2	2
Southeast	6	3	1	1	1	1
<b>Total</b>	<b>28</b>	<b>27</b>	<b>10</b>	<b>3</b>	<b>4</b>	<b>9</b>

Total number of Medicaid Denials received in this reporting period: 55

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: 13

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.

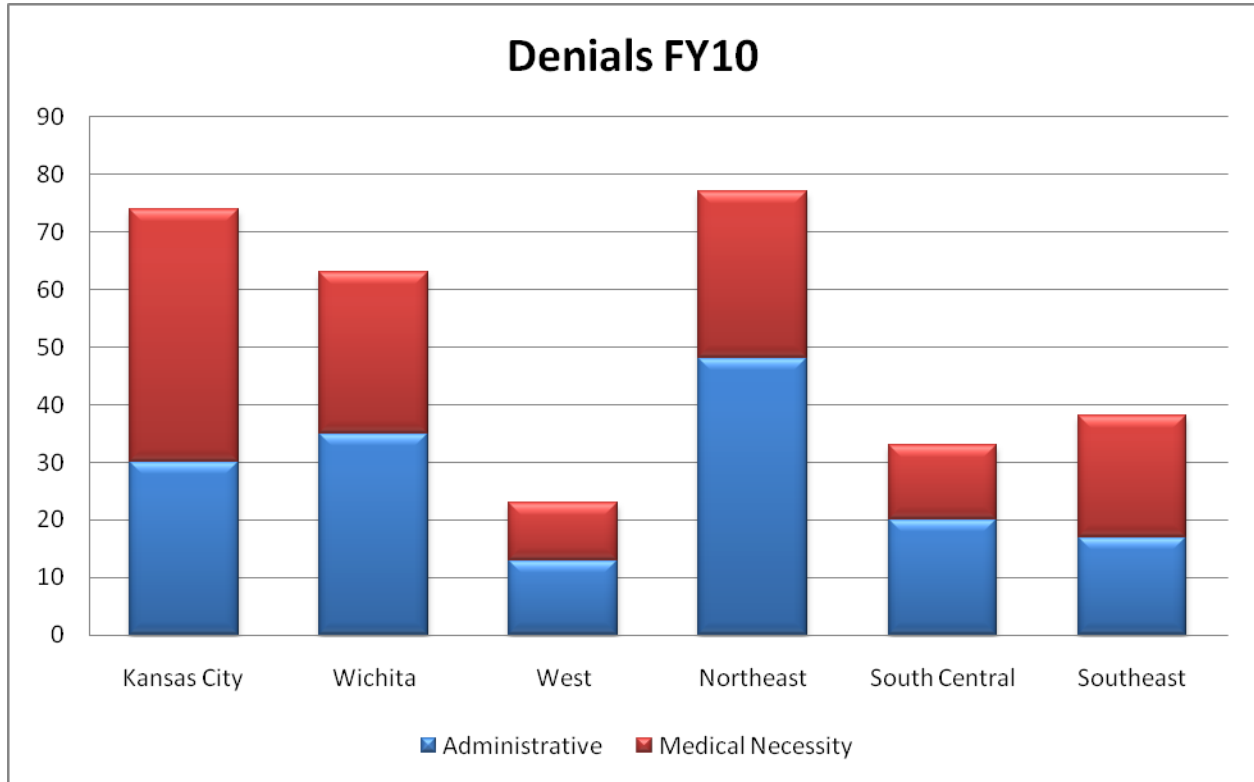
**\*\*This summary report only includes appeals submitted in this reporting period. The appeals which are pending for internal reviews or Fair Hearings are carried over and reported in the detailed reports under appropriate funding sources.**

**Annual FY 10 Summary Denial Data:**

Region	Administrative					Medical Necessity					Grand Totals
	1st	2nd	3rd	4th	Total	1st	2nd	3rd	4th	Total	
<b>Kansas City</b>	<b>18</b>	<b>12</b>			<b>30</b>	<b>21</b>	<b>23</b>			<b>44</b>	<b>74</b>
<b>Wichita</b>	<b>22</b>	<b>13</b>			<b>35</b>	<b>7</b>	<b>21</b>			<b>28</b>	<b>63</b>
<b>West</b>	<b>2</b>	<b>11</b>			<b>13</b>	<b>2</b>	<b>8</b>			<b>10</b>	<b>23</b>
<b>Northeast</b>	<b>26</b>	<b>22</b>			<b>48</b>	<b>11</b>	<b>18</b>			<b>29</b>	<b>77</b>
<b>South Central</b>	<b>11</b>	<b>9</b>			<b>20</b>	<b>6</b>	<b>7</b>			<b>13</b>	<b>33</b>
<b>South East</b>	<b>4</b>	<b>13</b>			<b>17</b>	<b>9</b>	<b>12</b>			<b>21</b>	<b>38</b>
<b>Total ALL</b>	<b>83</b>	<b>80</b>			<b>163</b>	<b>56</b>	<b>89</b>			<b>145</b>	<b>308</b>

**Total Denials for the year to date: 308**

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**Annual FY 10 Summary Appeal Data:**

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
<b>Administrative</b>	<b>12</b>	<b>16</b>			<b>28</b>
<b>Medical Necessity</b>	<b>1</b>	<b>6</b>			<b>7</b>
<b>Total</b>	<b>13</b>	<b>22</b>			<b>35</b>

**Conclusions:**

**Second Quarter FY10:**

- There were 169 denials reported second quarter.
  - This reflects an increase in denials from first quarter (1st qtr FY10 = 139 total).
  - Most denials were in AAPS funded:
    - AAPS = 114 total or 67.5%
    - Medicaid = 55 total or 32.5%
  - 80 were Administrative denials and 89 were Medical Necessity denials.
    - The reason for all Medical Necessity denials was “Client did not meet ASAM criteria”.

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- The reason for all Administrative denials was “Administrative denial for timeliness” except for one (1) exception for lack of eligibility as either AAPS or Medicaid.
  - Most denials reported (medical necessity and administrative) were in the Northeast region (40 of 169 or 23.7%).
  - The most administrative denials reported this quarter was in the Northeast region (22 of 80 or 27.5%)
  - The most medical necessity denials reported was in Kansas City region (23 of 89 or 25.8%)
- There were twenty-two (22) appeals reported second quarter.
  - This reflects an increase of appeals from 1<sup>st</sup> quarter (1st qtr FY10 = 13).
  - Nine (9) appeals were upheld statewide and thirteen (13) appeals were overturned.
- There were no State Fair Hearings requested during this quarter.

**Standards:**

- Standard for Denial letter notification:
  - **Level III: Not all of the Level III denial letters met the timeframe (99%), therefore, missed the standard by 1%. This was an AAPS funded case.**
  - **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 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.
- It is noted that administrative denials continue to be higher in the Northeast region and targeted education had been done last quarter. There was a reduction from Q1 to Q2 from 26 to 22 denials.
- 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.

**Date Presented to SQC:** 2/4/2010

**BY:** Kim Brown

**Recommendations from the Committee for action:** Committee concurs with QI recommendations made.

**Person Responsible to follow-up and date due:** Kim Brown Due: 5/6/2010