

**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, 2009 **TO:** June 30, 2009

**Conclusion includes annual summary for FY2009**

**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.

### **Results:**

#### **Denials/Appeals by Funding:**

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### Appeals by Funding



Date of Submission:

Reporting Period: April 1, 2009 - June 30, 2009

Funding Source	Number of Denials	Number of Appeals	Appeals Upheld	Appeals Overturned
Medicaid	47	7	3	4
AAPS	85	3	0	3
<b>Total</b>	<b>132</b>	<b>10</b>	<b>3</b>	<b>7</b>

Total Number of Denials Received in this Reporting Period: 132  
 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: 10  
 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 2009 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 AAPS:

### AAPS Appeals by Region



Reporting Period: April 1, 2009 - June 30, 2009

Region*	DENIALS		APPEALS		APPEAL RESULTS	
	Administrative	Medical Necessity	Administrative	Medical Necessity	Upheld	Overturned
Kansas City	5	19	0	0	0	0
Wichita	8	8	0	0	0	0
West	7	3	0	0	0	0
Northeast	11	10	1	0	0	1
South Central	3	4	0	0	0	0
Southeast	3	4	2	0	0	2
<b>Total</b>	<b>37</b>	<b>48</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>

Total Number of Denials Received in this Reporting Period: 85  
 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.

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 Medicaid:**

**Medicaid Appeals by Region**

Reporting Period: April 1, 2009 - June 30, 2009



Region*	DENIALS		APPEALS		APPEAL RESULTS	
	Administrative	Medical Necessity	Administrative	Medical Necessity	Upheld	Overturned
Kansas City	8	6	1	2	2	1
Wichita	11	2	0	0	0	0
West	1	2	0	0	0	0
Northeast	5	5	3	0	0	3
South Central	1	2	0	0	0	0
South East	1	3	0	1	1	0
<b>Total</b>	<b>27</b>	<b>20</b>	<b>4</b>	<b>3</b>	<b>3</b>	<b>4</b>

Total Number of Denials Received in this Reporting Period: 47  
 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: 7  
 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.**

**Annual FY 08 Summary Denial Data:**

Region	Administrative					Medical Necessity					GrandTotals
	1st	2nd	3rd	4th	Total	1st	2nd	3rd	4th	Total	
<b>Kansas City</b>	<b>8</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>9</b>	<b>5</b>	<b>2</b>	<b>12</b>	<b>9</b>	<b>28</b>	<b>37</b>
<b>Wichita</b>	<b>14</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>15</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>16</b>
<b>West</b>	<b>7</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>12</b>	<b>6</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>11</b>	<b>23</b>
<b>Northeast</b>	<b>6</b>	<b>3</b>	<b>5</b>	<b>0</b>	<b>14</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>3</b>	<b>17</b>
<b>South Central</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>0</b>	<b>10</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>14</b>
<b>South East</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>6</b>
<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>

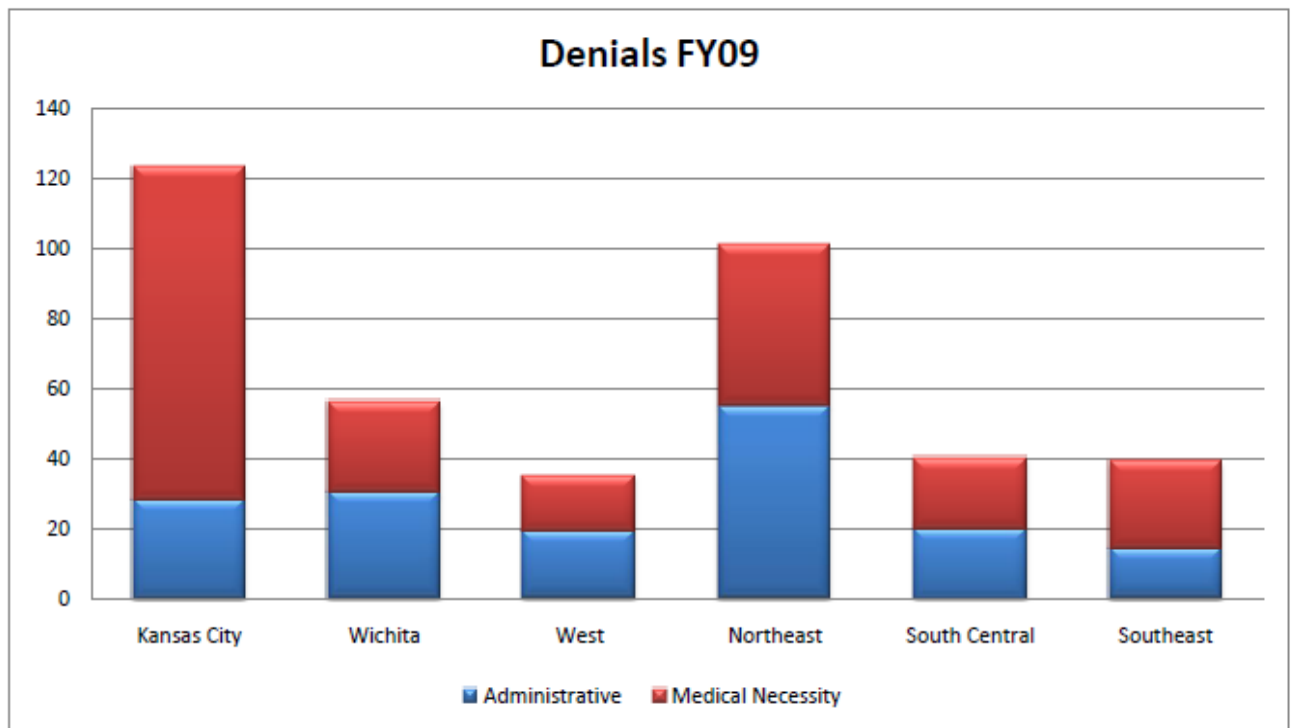
**Total Denials for the year: 113**  
**Total Appeals for the year: 14 (12.4 % of denials were appealed.)**

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**Annual FY 09 Summary Denial Data:**

Region	Administrative					Medical Necessity					GrandTotals
	1st	2nd	3rd	4th	Total	1st	2nd	3rd	4th	Total	
<b>Kansas City</b>	0	0	15	13	28	12	27	31	25	95	123
<b>Wichita</b>	0	0	11	19	30	1	10	5	10	26	56
<b>West</b>	0	0	11	8	19	3	2	6	5	16	35
<b>Northeast</b>	1	0	38	16	55	1	16	14	15	46	101
<b>South Central</b>	0	0	16	4	20	3	1	10	6	20	40
<b>South East</b>	0	0	10	4	14	1	5	12	7	25	39
<b>Total ALL</b>	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 09 Summary Appeal Data:**

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

**Conclusions:**

**Fourth Quarter FY09:**

- There were 132 denials reported fourth quarter.
  - This reflects a decrease in denials from third quarter (3rd qtr FY09 = 179 total).
  - This reflects an increase compared to fourth quarter FY08 (4th qtr FY08 = 11 total).
  - Most denials were in the AAPS funding source:
    - AAPS = 85 total or 64.4%
    - Medicaid = 47 total or 35.6%
  - Most denials were Outpatient:
    - Outpatient = 72 total or 54.5% (31 Medicaid and 41 AAPS)
    - Residential = 60 total or 45.5% (16 Medicaid and 44 AAPS)
  - A little over half of the denials were Medical Necessity (68 or 51.5%). The reason for all Medical necessity denials was “Client did not meet ASAM criteria”.
  - Most denials reported (medical necessity and administrative) were in the Kansas City region (38 or 28.8%).
  - The most administrative denials reported this quarter was in the Wichita region (19 or 14.4%)
  - The most medical necessity denials reported was in the Kansas City region (25 or 18.9%).
- There were ten (10) appeals reported fourth quarter.
  - This reflects a decrease in appeals from third quarter (3rd qtr FY09 = 12).
  - Three (3) appeals were upheld statewide and seven (7) appeals were overturned.
- There were no State Fair Hearings requested during this quarter.
- In the third quarter FY2009 Aggregate Analysis, it was noted that in this quarter’s report, administrative denials due to technical issues related to a KCPC update which occurred third quarter may impact the number of administrative denials. If this occurred, VO would add a notation to the report. As shown above, there was a decrease in administrative denials from third quarter, therefore, there was not a meaningful impact shown.

**Standards:**

- Standard for Denial letter notification:

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- **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 (7/1/08 – 6/30/09):**

- There were 394 denials reported in FY2009 (**this reflects less than 2% of all care requests**).
  - This reflects an increase in denials from FY2008 (FY2008 = 113 total).
  - Most denials were in the AAPS funding source:
    - AAPS = 293 total or 74.4%
    - Medicaid = 101 total or 25.6%
  - In FY2009, most denials reported (medical necessity and administrative) were in the Kansas City region (123 or 31.2%) and the least in the West region (35 or 8.9%).
  - The most administrative denials reported were in the Northeast region (55 or 33.1%) and the least in the South East region (14 or 8.4%).
  - The most medical necessity denials reported were in the Kansas City region (95 or 41.7%). This percentage appears high compared to the other regions. The least medical necessity denials reported were in the West region (16 or 7.0%).
- There were twenty-nine (29) appeals reported in FY2009.
  - This reflects an increase in appeals from FY2008 (FY2008 = 14).
  - Twelve (12) appeals were upheld statewide and seventeen (17) appeals were overturned.
- There were no State Fair Hearings requested in FY2009.
- 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. ValueOptions complied and reporting summarized by funding source was added to quarterly reports beginning Q3 FY09.
- Note that Quarter 3 FY09 was the first time administrative denials were enforced **as it relates to timeliness of Continued Stay Reviews and initial care requests**.
- Note that Brian Baker with ValueOptions has and will continue to provide outreach and provider education to specific high volume provider(s).
- Appeal reporting changed during second quarter FY2009 to show disposition (upheld or overturned).
- The standards for both denials/appeals were further defined and clarified during second quarter FY2009. Therefore, an analysis of the standards was not done for the annual summary.

**Preliminary Recommendations to Committee:**

- It is recommended to the Committee that data trending continue.

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- 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.
- **We recommend VO investigate the administrative denial percentage in the Northeast and see if targeted outreach impacts the percentage.**
- 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:** 8/4/2009

**BY:** Kim Brown

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

**Person Responsible to follow-up and date due:** Kim Brown Due: 11/5/2009