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Activities of the State Medical Review Team, Fiscal Year 2009

Health Services Medical Management

February, 2010

Legislative Report

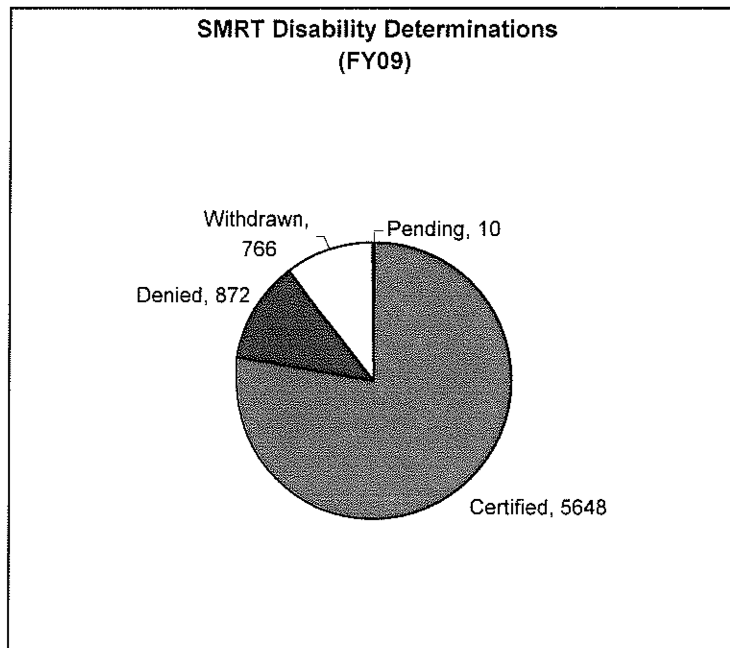
Minnesota Department of **Human Services**

Executive Summary

The State Medical Review Team (SMRT) makes disability determinations according to criteria defined by the Social Security Administration. A SMRT disability certification establishes a basis for eligibility in Medical Assistance, the state's Medicaid program. Applications are submitted by counties on behalf of their clients, processed by DHS staff, and determinations are performed by contracted medical professionals.

DHS found that the state's contracted Medical Review Agent leverages a combined 34 years of disability determination experience.

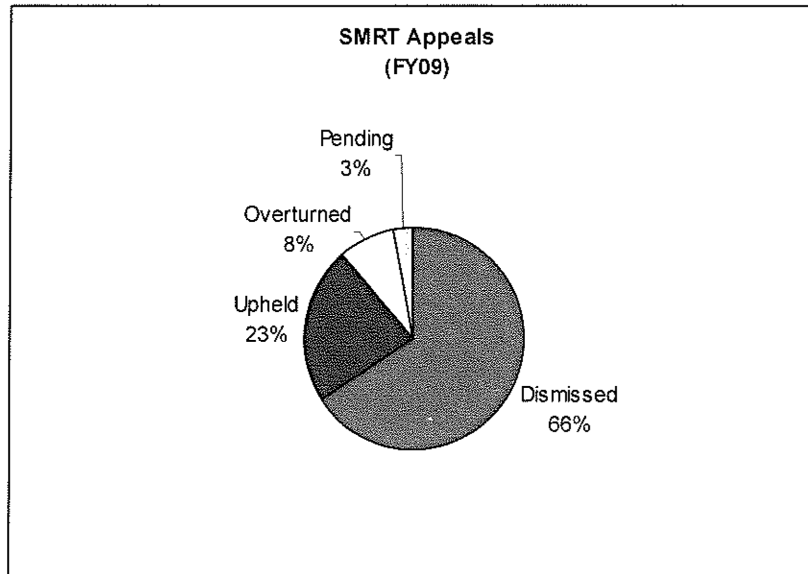
SMRT received 7,296 applications for disability determinations in Fiscal Year 2009.



- 78% of applications were **certified**
- 12% of applications were **denied**
- 10% of applications were **withdrawn**
- Less than 1% of applications were **pending**

The average length of time from DHS receipt of a SMRT application to a decision was **28 calendar days**.

There were 96 appeals of SMRT denials performed by the DHS Appeals Office.



In meeting the requirements of this Legislative Report, DHS found that:

- The age of SMRT applicants varied considerably, depending on the program applied for.
- 11% of applicants – according to data available to DHS – had some form of third-party liability coverage at the time of application.
- 27% of SMRT applicants were hospitalized in the three months immediately prior to their application.
- 37% of SMRT applicants had a pending application for benefits from SSA.

Introduction

The State Medical Review Team (SMRT) performs disability determinations for Minnesotans up to age 65 based on criteria defined by the Social Security Administration (SSA). Code of Federal Regulations § 435.541 authorizes states to create medical review teams to perform disability determinations for Medicaid eligibility. SMRT exists parallel to the frequently lengthy disability determination process used by SSA. SMRT determinations are not recognized by SSA, and can not result in eligibility in any federally administered program.

SSA criteria for disability determination follows a five-step process designed to gauge an applicant's ability to work, and the severity of physical and/or mental condition(s) which may contribute to the applicant's disability. (See Appendix A). Children applying for services under the TEFRA program must also demonstrate that their condition would require the level of care provided by a residential facility, hospital, or nursing home. Medical evidence is required to verify disability.

County financial workers generate SMRT applications on behalf of their clients. If additional information is required, a request is sent back to the county, who is responsible for coordinating the collection of necessary documentation. Once a case is complete, the evidence is sent to a contracted medical review agent for a determination. If the medical review agent needs additional information, a request for the specific information is sent to the county. Since 1999, DHS has contracted for SMRT determinations with the Care Delivery Management, Inc. (CDMI), a subsidiary of Blue Cross/Blue Shield of MN.

A SMRT certification of disability establishes a basis for eligibility in Medical Assistance, including waiver programs, TEFRA, and Medical Assistance for Employed Persons with Disabilities (MA-EPD). A SMRT certification is returned to the county of origin and is valid for at least one year. Children may receive a SMRT disability certification for TEFRA of up to four years, and adults may receive a certification of up to seven years, depending on the severity and permanence of the disability.

This Legislative Report is mandated by 2009 MN Statutes 256.01, Subdivision 29 (c):

> *The commissioner shall provide the chairs of the legislative committees with jurisdiction over health and human services finance and budget the following information on the activities of the state medical review team by February 1, 2010, and annually thereafter:*
>
> *(1) the number of applications to the state medical review team that were denied, approved, or withdrawn;*
>
> *(2) the average length of time from receipt of the application to a decision;*
>
> *(3) the number of appeals and appeal results;*
>
> *(4) for applicants, their age, health coverage at the time of application, hospitalization history within three months of application, and whether an application for Social Security or Supplemental Security Income benefits is pending; and*
>
> *(5) specific information on the medical certification, licensure, or other credentials of the person or persons performing the medical review determinations and length of time in that position.*

Methodology

The report was written by Will Wilson, MPP, Agency Policy Specialist for the Department of Human Services. Internal discussions on the report between State Medical Review Team staff, policy staff, and managers took place throughout the months of December 2009 and January 2010. Three meetings were devoted to the report and many calls, emails, and conversations helped isolate the appropriate data, address insufficiencies or inconsistencies within the data, and interpret and present the results.

The data used in this report came from three sources:

1. The State Medical Review Team database
2. The state's data warehouse, specifically MMIS and MAXIS
3. The state's contracted Medical Review Agent

The State Medical Review Team database is used to track individual applications from the date they are received through the date a decision is made, including appeals. The database contains personal information about applicants, including name, age and state identifiers. The database also includes information about the application, including date fields to track various stages of the application, the program applied for, and the ongoing status of the application. Finally, the database contains links to pertinent documents in the DHS document warehouse. Data from the SMRT database is searchable via a query function in Microsoft Access. These data are highly pertinent to this legislative report and consistently reliable – all fields from the SMRT database are easily cross-checked against the original documents linked within the database.

DHS analyzed applications received in state Fiscal Year 2009. Data from calendar year 2009 would include numerous incomplete cases, which would give an inaccurate picture of lengths of time from application to decision. Applications submitted up to and including June 30, 2009 were analyzed though to their completion, including cases decided after the date range.

Appeals data were pulled separately, and do not directly correspond to the rest of the data used for the report. The time from a SMRT decision to an appeal – conducted by the DHS Appeals Office – can be as long as 6 months, depending on Appeals Office scheduling or an appellant's desire to gather more evidence. The appeals data for this report includes all appeals requested during FY 09, though a number of these appeals were denials originally decided by SMRT in FY 08.

The data were pulled from the SMRT database on December 29, 2009. There were 7296 individual applications received by SMRT and 96 SMRT appeals performed during FY 09. Data from the SMRT database are sufficient to complete the statutory requirements in paragraphs (1) – (3), and the age requirement in paragraph (4).

Three required data elements do not exist in the SMRT database and had to be pulled from the state's data warehouse, specifically MMIS and MAXIS. These elements are listed in the statute under paragraph (4):

- Health coverage at the time of application;
- Hospitalization history within three months of application; and

- Whether an application for Social Security of Supplemental Security Income benefits is pending.[1]

These data elements were pulled from the data warehouse by Jon Huus, Agency Policy Specialist, on January 5, 2010.

The data and information required by paragraph (5) regarding the qualifications and experience of the medical professionals who perform the determinations came directly from CDMI, the state's contracted Medical Review Agent.

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[1] **NOTE:** These three data elements present concerns as to reliability. In particular, the element detailing SSA application status is, at a minimum, suspect. There are multiple factors contributing to a lack of reliability for these elements.

For "health coverage at the time of application," the available data only lists whether an applicant had third-party liability coverage at the time of application, not the extent of benefits available. Also, for 12% of applicants, this status is listed as "unknown."

For "hospitalization history," the only data available are claims directly submitted to DHS. If a hospitalization occurred without being billed to DHS, there would be no record of that encounter available to report.

Finally, the SSA application status data element is likely unreliable for multiple reasons. DHS and SSA are two separate entities with different databases and processes. A change to SSA status would not be recognized by DHS unless directly conveyed, and there is no mechanism in place to convey changes in status prior to a final decision from SSA. Also, a county worker enters the SSA status at the time of the SMRT application, but SSA accepts applications from individual applicants independently. An applicant may have submitted an application to SSA without the county worker knowing at the time of application to SMRT.

Results

The commissioner shall provide ... the following information on the activities of the state medical review team:

(1) the number of applications to the state medical review team that were denied, approved, or withdrawn;

In FY 2009, the State Medical Review Team received a total of

7,296 applications.

5,893 of these applications were new cases, 1,403 were applications for recertification of an existing SMRT certification.

There are four categories of outcome for SMRT applications.

(1) **Certified**: the medical evidence was reviewed and the applicant was determined to be disabled according to SSA criteria.

(2) **Denied:** the medical evidence was reviewed and the applicant was determined not to be disabled according to SSA criteria.

(3) **Withdrawn:** the application was received, but was withdrawn by SMRT because the applicant or the county did not respond to a SMRT request for 60 days.

(4) **Pending**: the application was still pending, awaiting additional information, or under review at the time the data were pulled.

The outcomes for SMRT, FY 2009 were:

Outcome	Number	Percent
Certified	5,648	78%
Denied	872	12%
Withdrawn	766	10%
Pending	10	<1%

Regarding the **Withdrawn** category, SMRT staff tracks the reasons for withdrawal in the SMRT database. The majority of withdrawn cases (685 of 766, or 89%) occurred because the applicant could

not or did not comply with a request for additional information required to make a determination. When a case requires additional information, SMRT sends a series of notices to the county worker requesting the additional information. After 60 days without a response from the county, the case is withdrawn. Withdrawn cases are not formally denied by SMRT, and if additional information is submitted, SMRT will reopen the case and proceed.

The remainder of the withdrawn cases occurred because the applicant began receiving federal benefits (3%), the applicant died or moved out of state (1%), the applicant requested the withdrawal directly (1%), or "other" (6%).

Regarding the **Pending** category, these few cases were under review or pending after a request by the county or the applicant for more time to collect additional information.

For reference, the annual totals of SMRT applications since FY 2006 are:

Year	Number of Applications
2006	5,584
2007	6,491
2008	7,055
2009	7,296

The commissioner shall provide ... the following information on the activities of the state medical review team:

(2) the average length of time from receipt of the application to a decision;

For this report, length of time was calculated in calendar days. The "receipt of application" date is defined as the date the application was faxed by the county to SMRT. This is the same date for all cases regardless of outcome. A "decision" is defined as the date when a certification or a denial was faxed back to the county. For withdrawals, a "decision" is defined as the date of the most recent request for additional information sent from SMRT to the county.

The data was further separated into cases with additional information (AI) requests and cases without AI requests. Because during this period counties were responsible for processing AI requests on behalf of an applicant, the data are split to demonstrate the average lengths of time when an application was the responsibility of the county and when it was the responsibility of the SMRT unit.

For all SMRT applications in FY 2009, the average time from receipt of the application to a decision was 27.8 days. The numbers below have been rounded to whole days.

	Average Number of Days	Days of County Responsibility	Days of SMRT Responsibility
All Cases	**28 Days**	**9 Days**	**19 Days**
Cases with Additional Information Requests	40 Days	20 Days	20 Days
Cases without Additional Information Requests	16 Days	0 Days	16 Days
Approvals	24 Days	7 Days	17 Days
Denials	61 Days	25 Days	36 Days

The commissioner shall provide... the following information on the activities of the state medical review team:

(3) the number of appeals and appeal results

In FY 2009, the DHS Appeals Office conducted

96 Appeals of SMRT denials.

There are four possible outcomes of appeals:

1) **Dismissed**: the DHS Appeals Office dismissed the appeal before a fair hearing was conducted. In most dismissals, additional information was received and the case was returned to SMRT for a determination before a fair hearing. Rarely, the appeal was dismissed for lack of merit, or the applicant asked to have the appeal dismissed.
2) **Upheld**: The DHS Appeals Office conducted a fair hearing and agreed with the original SMRT denial, resulting in a denial.
3) **Overturned**: The DHS Appeals Office conducted a fair hearing and disagreed with the original SMRT denial, resulting in a certification.
4) **Pending**: The appeal was still pending as of the date the data was pulled.

The results of SMRT appeals were:

Result	Number	Percent
Dismissed	63	66%
Upheld	22	23%
Overturned	8	8%
Pending	3	3%

The commissioner shall provide ... the following information on the activities of the state medical review team:

(4) for applicants, their age, health coverage at the time of application, hospitalization history within three months of application, and whether an application for Social Security or Supplemental Security Income benefits is pending

"*Age*" is defined as the applicant's age on the date of application. The age of applicants varies depending on the program for which the applicant applied. The four major program categories for which SMRT applicants seek a basis of eligibility are: Medical Assistance (MA); Medical Assistance-TEFRA for children with disabilities (TEFRA); Medial Assistance Waiver programs, and Medical Assistance for Employed Persons with Disability (MA-EPD). The Other category includes Emergency Medical Assistance, Family Support Grant Program, and Minnesota Supplemental Aid.

The mean, median, and mode ages of applicants for these program categories are:

Category	**Number of applicants**	**Mean Age**	**Median Age**	**Mode Age**
MA	4,696	43	46	56
TEFRA	1,864	9	9	5
Waiver	520	24	18	15
MA-EPD	157	44	47	54
Other	59	41	47	50

"*Health coverage at the time of application*" is defined as any known third-party liability insurance coverage on the date of application.

Third-Party Liability coverage?	**Number**	**Percent of total**
Yes	777	11%
No	5,687	77%
Unknown	832	12%

"*Hospitalization history within three months of application*" is defined as an inpatient admission associated with the applicant based on claims data available to DHS. Admissions to Skilled Nursing Facilities were not included. The date range covers three months prior to the date of application.

There were **1,940 applicants** – or 27% of all applicants – for which DHS had records of a hospitalization in the three months prior to the date of application. Here are the numbers broken out by program applied for:

Category	Applicants with a Hospitalization	Percent of applicants in that category
MA	1,745	37%
TEFRA	84	5%
Waiver	76	15%
MA-EPD	20	4%
Other	15	19%

"*Whether an application for Social Security or Supplemental Security Income benefits is pending*" is based only on data available in the DHS warehouse. For more accurate and timely data, a request should be submitted to the Disability Determination Service of the Department of Employment and Economic Development.

The available DHS data were filtered to isolate SMRT applicants who had applied for SSI and/or SSDI, and then filtered to include only applicants whose status was listed as "appealing," "denied," "eligible," or "pending."

2,706 SMRT applicants – or 37% of all applicants – had an application with the Social Security Administration pending as of the date of their SMRT application.

The commissioner shall provide ...the following information on the activities of the state medical review team:

(5) specific information on the medical certification, licensure, or other credentials of the person or persons performing the medical review determinations and length of time in that position.

According to information provided by the state's contracted Medical Review Agent, Care Delivery Management, Inc. (CDMI), 7 professionals perform disability determinations for SMRT:

- A primary Registered Nurse with 10 years of experience performing disability determinations
- Three back-up Registered Nurses with a combined 16 years of experience performing disability determinations
- An MD with 4 years of experience performing disability determinations
- Two PhD Psychologists each with 2 years of experience performing disability determinations.

Conclusions

- 7,296 applications were received in FY 2009 – over 30% more than in 2006.

- 96 appeals of SMRT denials were requested in FY 2009. Of these, only 8 were overturned by an appeals judge.

- The certification rate of 78 % is high. Contributing to this number is the fact that county workers submit applications on behalf of clients – generally when the worker already believes that a SMRT determination would benefit the applicant. County workers in a sense triage their clients and direct them towards the appropriate avenue for assistance, including applications to SMRT.

- The withdrawal rate of 10 % is also high. Some applicants lack the resources or assistance to gather complete medical evidence needed for a formal determination. Other applicants do not intend to pursue a determination after the initial application.

- Legislative changes from 2009 are being implemented which will make SMRT responsible for the collection of additional medical evidence. SMRT will assist applicants in gathering additional information. These changes will likely result in longer average processing times for SMRT staff as they take over this responsibility from counties. However, the changes should also result in shorter overall times for applicants because SMRT staff will be dedicated to the one specific function of assisting SMRT applicants.

- In preparation for taking on the new responsibility of assisting clients, SMRT is in the process of expanding its staff and systems capabilities to accommodate the expected increase in the flow of information. This will include new standardized forms, more ways to communicate with clients and providers securely, and new database tools for tracking information. SMRT expects to implement these changes in March, 2010.

- The State Medical Review Team performs disability determinations in a timely, conscientious manner. The average turn-around time for a disability determination is less than one month. The average time for denials is longer, allowing time for applicants to gather more evidence of their disability before a denial is issued.

<u>APPENDIX A</u>

Social Security Disability Criteria:

Copied from http://www.ssa.gov/pubs/10029.html

"How we make the decision

We use a five-step process to decide if you are disabled.

1. **Are you working?**
   If you are working and your earnings average more than a certain amount each month, we generally will not consider you disabled. The amount changes each year. For the current figure, see the annual Update (Publication No. 05-10003).

   If you are not working, or your monthly earnings average the current amount or less, the state agency then looks at your medical condition.

2. **Is your medical condition "severe"?**
   For the state agency to decide that you are disabled, your medical condition must significantly limit your ability to do basic work activities—such as walking, sitting and remembering—for at least one year. If your medical condition is not that severe, the state agency will not consider you disabled. If your condition is that severe, the state agency goes on to step three.

3. **Is your medical condition on the List of Impairments?**
   The state agency has a List of Impairments that describes medical conditions that are considered so severe that they automatically mean that you are disabled as defined by law. If your condition (or combination of medical conditions) is not on this list, the state agency looks to see if your condition is as severe as a condition that is on the list. If the severity of your medical condition meets or equals that of a listed impairment, the state agency will decide that you are disabled. If it does not, the state agency goes on to step four.

4. **Can you do the work you did before?**
   At this step, the state agency decides if your medical condition prevents you from being able to do the work you did before. If it does not, the state agency will decide that you are not disabled. If it does, the state agency goes on to step five.

5. **Can you do any other type of work?**
   If you cannot do the work you did in the past, the state agency looks to see if you would be able to do other work. It evaluates your medical condition, your age, education, past work experience and any skills you may have that could be used to do other work. If you cannot do other work, the state agency will decide that you are disabled. If you can do other work, the state agency will decide that you are not disabled."