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Activities of the State Medical Review Team Fiscal Year 2012

Health Care Eligibility and Access
February, 2013

Legislative Report

Minnesota Department of **Human Services**

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Minnesota Statutes, Chapter 3.197, requires the disclosure of the cost to prepare this report. The estimated cost of preparing this report is approximately $1,653.42.

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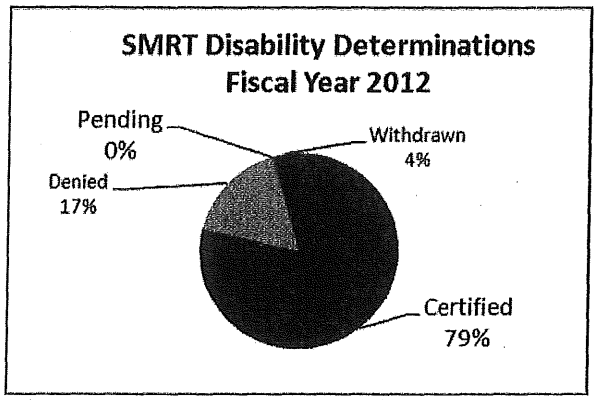
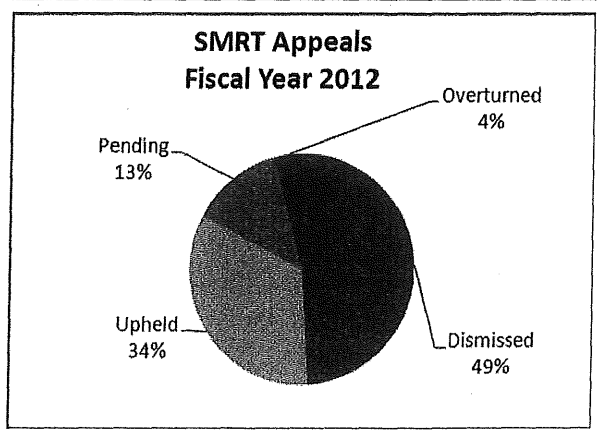
I. Executive summary

The State Medical Review Team (SMRT) completes disability determinations according to criteria defined by the Social Security Administration (SSA). A SMRT disability certification establishes a basis of eligibility for Medical Assistance, the state's Medicaid program. Applications are submitted by counties on behalf of their clients and processed by SMRT staff. Determinations are completed by SMRT staff and contracted physicians and psychologists.

Clients are certified disabled for a period of 1 to 7 years. At the end of the certification period, SMRT examines new medical evidence to determine whether the client's impairment has improved. In fiscal year 2012, 21% of all disability determinations were recertifications.

SMRT received **8,356 applications** for disability determinations in fiscal year 2012. This reflects an 8% decrease over fiscal year 2011. SMRT applications result in a certification, denial or are withdrawn. A few remain pending while SMRT continues to obtain additional evidence to make a final determination.





Of the 8,356 applications:

- 6,576 or 79% were **certified**
- 1,399 or 17% were **denied**
- 357 or 4% were **withdrawn**
- 24 or < 1% were **pending**

*The average length of time from DHS receipt of a SMRT application to a decision was **51 days**.*

Of the 1,399 SMRT denials, **98 appeals** were filed with the state appeals office.

Of the 98 appeals:

- 48 or 49% were dismissed
- 33 or 34% were upheld
- 13 or 13% are pending
- 4 or 4% were overturned

*The average length of time from DHS receipt of an appeal request to a decision was **64 days**.*

The average SMRT applicant was 36 years of age and over half did not have coverage at the time they applied. Slightly less than half of applicants had a pending application for SSA disability benefits and about one quarter of them were hospitalized immediately before applying.

II. Legislation

This Legislative Report is mandated by Minnesota Statutes, section 256.01, subdivision 29(c):

(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 of each year:

(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, appeal results, and the length of time taken from the date the person involved requested an appeal for a written decision to be made on each appeal;

(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.

III. Introduction

This report was prepared in response to a mandate under Minnesota Statutes, section 256.01, subdivision 29(c). It includes fiscal year data for activities performed by the State Medical Review Team (SMRT) and other related areas of the department. It was compiled and written by SMRT staff with input from data specialists in the Health Services and Medical Management and the Appeals & Regulations Divisions at the Department of Human Services. Staff met in November and December to isolate the data, address discrepancies, and interpret and present the results. The cost to produce this report was $1,653.42.

Minnesota Statutes, section 256.01, subdivision 29 expanded the role of the State Medical Review Team in 2009. Implementation in 2010 and continued refinement of these changes may have contributed to longer than average processing times or affected other results contained in this report.

This report lays out the results of the data requested by statute. It includes a brief background to familiarize the reader with the disability determination process and an explanation as to why data may vary from previous years.

IV. Background

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). The Code of Federal Regulations, Title 42, Chapter IV, Subchapter c, Part 435, Subpart F, Section 435.541 authorizes states to create medical review teams to perform disability determinations for Medicaid eligibility. SMRT exists parallel to the disability determination process used by SSA. SMRT determinations are not recognized by SSA, and cannot result in eligibility in any federally administered program.

SSA criteria for a disability determination follows a five-step process designed to determine how an applicant's physical and/or mental condition(s) affects their ability to work or perform activities of daily living. Children applying for MA services under the TEFRA option must also demonstrate that their condition(s) requires the same level of care as would be provided by a residential facility, hospital, or nursing home. Medical evidence related to the impairment(s) is required for a disability determination.

County financial workers generate SMRT referrals on behalf of their clients. Workers collect and submit forms and documentation to SMRT with a referral. SMRT reviews the documentation and decides if additional information is needed and collects it. When a case requires additional information, SMRT sends at least two notices to the client requesting the specific information and attempts to reach the client by phone. After a minimum of 60 days, if a client does not respond, the case is forwarded for a determination based on the evidence on file. SMRT continues to process a case as long as the client is cooperating. If the client is not cooperating and SMRT has exhausted efforts to collect the information needed, the case is denied for non-cooperation.

SMRT case managers determine disability for easily verified cases. The rest are forwarded to a medical professional for a determination. During the first six months of fiscal year 2012, DHS contracted with Care Delivery Management, Inc. (CDMI) to determine disability. During the last six months of fiscal year 2012, DHS hired a Registered Nurse (RN) and contracted directly with physicians and psychologists to determine disability. The RN sends complicated cases to the physicians or psychologists or both for a determination.

A SMRT certification of disability establishes a basis of eligibility in Medical Assistance (MA) including waiver programs, TEFRA, and Medical Assistance for Employed Persons with Disabilities (MA-EPD). Results of the disability determinations are mailed to the client and faxed to the referring county. SMRT disability certifications are valid for at least one year. A child's certification for TEFRA can be up to four years, and adults up to seven years, depending on the severity and permanence of the disability.

At the end of the certification period, a recertification is completed. SMRT collects and examines current medical evidence to determine whether the severity of the client's impairment has improved. In fiscal year 2012, 21% of all disability determinations were recertifications.

V. Methodology

The data used in this report came from four 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
4. The DHS Appeals & Regulations database

The SMRT database tracks a referral from the date it is received through the date a disability determination or appeal decision is made. The database contains personal information about a client, including name, age, state identifiers and the program they applied for. It also includes date fields that track the status of a referral as it is reviewed for disability. Data from the SMRT database is searchable via query in Microsoft Access, easily cross-checked against original documents and easily matched against data from MMIS and MAXIS through the state's data warehouse.

DHS analyzed disability referrals received in state fiscal year 2012. Referrals submitted up to and including June 30, 2012, were analyzed through to their completion, including cases decided after the date range.

The appeals data for this report includes appeals requested for referrals received by SMRT in fiscal year 2012. DHS analyzed appeals data from the SMRT database cross-matched with data from the state's appeals database from the same period of time. Data from the appeals database was used to calculate the time from the appeal request to a written decision.

The data was extracted from the SMRT database on December 21, 2012. Data from the SMRT database was sufficient to complete the statutory requirements in paragraphs (1) and (2), the number of appeals and appeal results in paragraph (3), and the age requirement in paragraph (4).

Data from the state's appeals database was sufficient to complete the statutory requirements in paragraph (3) including the length of time from appeal request to a written decision. This data element was pulled from the appeals database by a data specialist in the Appeals & Regulations Division on December 16, 2012.

Data from the state's data warehouse, specifically MMIS and MAXIS was sufficient to complete the statutory requirements in paragraph (4); three required data elements do not exist in the SMRT database and were extracted 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.

These data elements were pulled from the data warehouse by a data specialist in the Health Services and Medical Management Division, on November 14, 2012.

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

VI. Report Results

A. Historical Results

This chart depicts SMRT referrals and the percent change per year for the **last five fiscal years** and is included as a reference.

Year	SMRT Referrals	Change
2008	6,660	+7 %
2009	7,298	+9 %
2010	9,159	+25 %
2011	10,501	+15 %
2012	8,356	**-8 %**

Fiscal year 2012 saw an unprecedented **8 % decrease** in SMRT referrals. This is the result of legislative changes in 2010 and 2011 to health care programs for adults without children. The un-allotment of General Assistance Medical Care (GAMC) resulted in a significant increase in SMRT referrals in the later part of fiscal year 2010 and the first three quarters of fiscal year 2011. The implementation of Medical Assistance for Adults without Children (MA-AX) in the last quarter of fiscal year 2011 resulted in a marked decrease in referrals. Without these two abrupt changes in policy, referrals would probably have increased each year at a normal and predictive rate.

B. Individual Report 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 fiscal year 2012, the State Medical Review Team received a total of **8,356 referrals or applications.**

Of the 8,356 referrals, 6,612 or 79% were new cases, 1,744 or 21% were recertifications.

There are four categories of outcome for a SMRT referral.

(1) **Certified**: medical evidence shows the applicant is disabled according to SSA criteria.
(2) **Denied:** medical evidence shows the applicant is not disabled according to SSA criteria.
(3) **Withdrawn:** the referral was received, but no final determination was made.
(4) **Pending**: the referral was still pending, awaiting additional information, or under review at the time the data was pulled.

SMRT referral outcomes for fiscal year 2012 were:

Outcome	Number	Percent
Certified	6576	79%
Denied	1,399	17%
Withdrawn	357	4%
Pending	24	<1%

The majority of cases are withdrawn because the person became eligible for Social Security Income (SSI) or Retirement Survivors Disability Income (RSDI).

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 referral was faxed by the county to SMRT. A "decision" for purposes of this report is defined as the date the certification or denial determination was made.

For all SMRT referrals in fiscal year 2012, the average time from receipt of the referral to a disability decision was **51 days**.

The data includes cases submitted with sufficient information and those that required additional information. A case that requires additional information can take twice as long to process. Of the 8,356 cases processed, **36% required additional information**.

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

(3) the number of appeals, appeal results, and the length of time taken from the date the person involved requested an appeal for a written decision to be made on each appeal;

The Appeals Office conducted **98 appeals** on cases received by SMRT in fiscal year 2012.

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 was the appeal dismissed for lack of merit or did the applicant ask 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 disability certification.

4) **Pending**: The appeal was still pending as of the date the data was pulled.

SMRT appeals outcomes:

Result	Number	Percent
Dismissed	48	49%
Upheld	33	34%
Overturned	4	4%
Pending	13	13%

The average length of time from the appeal request to an appeal decision was **64 days.** Appeals that went to hearing took longer than the appeals that were dismissed. On average, appeals that went to hearing took **79 days**.

For this report, length of time was calculated in calendar days with time credited when the appeal hearing is continued or appeal record held open for the appellant's benefit. The "date filed" is defined as the date the appeal request was received by the Appeals office. The "date closed" is defined as the date the order was signed off on by the chief Human Services Judge.

Approximately 84% of SMRT appeals are completed within the 90 day statutory time frame. Of the 11% that surpass the 90 day time frame, half were settled within 18 days, and were upheld or overturned. As per statute, all appeals that surpass the 90 day time frame are reviewed by a Chief Human Services Judge. To meet this requirement, chief human service judges review each of the appeals judges' open appeals on a monthly basis.

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. In fiscal year 2012, the **average age** of a SMRT applicant **was 36.**

"*Health coverage at the time of application*" is defined as any known third-party liability insurance coverage on the date of application. The results below show an increase of 4% in people with coverage from what was reported in fiscal year 2011.

Third-Party Liability coverage?	Number	Percent of total
Yes	1,882	22%
No	5,757	69%
Unknown	717	9%

"*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. "Within three months of application" is defined as three months prior to the date of application to three months after the date of application. The numbers are listed separately for each three month period. An applicant may have had a hospitalization(s) in both the three months prior to and after the application date.

1,829 or 22% of all SMRT applicants for which DHS had records of a hospitalization in the **three months prior to** the date of application.

Hospitalized 3 months prior to application date	Number	Percent of total
Yes	1,829	22%
No	6,527	78%

1,079 or 13% of all SMRT applicants for which DHS had records of a hospitalization in the **three months after** the date of application.

Hospitalized 3 months after application date	Number	Percent of total
Yes	1,079	13%
No	7,277	87%

"Whether an application for Social Security or Supplemental Security Income benefits is pending" is based only on data available in the DHS data warehouse. The data was filtered to isolate SMRT applicants who had applied for SSI and/or RSDI, and then filtered again to include only applicants whose status was listed as "appealing," "denied," "eligible," or "pending."

3,701 or 44% of all applicants had an application for SSI/RSDI pending with the Social Security Administration on the date they applied.

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.

Information provided by the state's contracted Medical Review Agent, Care Delivery Management, Inc. during the first six months of fiscal year 2012 show the following medical professionals performed disability determinations for SMRT:

- Two Registered Nurses with a combined 16 years of experience doing disability determinations.
- An MD with six years of experience doing disability determinations.
- Two PhD Psychologists with a combined ten years of experience performing disability determinations.

This represents a combined 32 years of experience performing disability determinations.

Information from SMRT shows that the following qualified staff and medical professionals performed disability determinations for the second six months of fiscal year 2012:

- One Registered Nurse with 14 years of experience doing disability determinations.
- Three qualified staff with a combination of 37 years of experience performing disability determinations for Social Security.
- One pediatrician with three years of experience performing children's disability determinations for Social Security.
- One child psychologist with 22 years of experience performing children's disability determinations for Social Security.
- Two PhD Psychologists with a combined 42 years of experience performing disability determinations for Social Security.
- Three MD's with a combined 30 years of experience performing disability determinations for Social Security.

This represents a combined 148 years of experience performing disability determinations.

VII. Summary

The summary of the last SMRT Legislative Report stated that SMRT expected to see more consistency and predictability in referrals in fiscal year 2012 and indeed referral numbers have stabilized. In fact, for the first time, SMRT experienced a decrease (8%) in referrals. This was not unexpected since it was preceded in fiscal year 2010 (25%) and 2011 (15%) by an unexpected and significant increase in referrals.

The increase was the result of 2010 legislative changes to the GAMC program. The subsequent decrease was the result of implementing Medical Assistance for Adults without Children (MA-AX) in 2011. Prior to 2010, referrals increased by a consistent and predictable rate each year. Fiscal year 2012 represents a return to where referral levels probably would have been had these policy changes not occurred.

The cumulative effect of these unexpected changes impeded SMRT's ability to establish a normal baseline or credible performance measures, at a time when SMRT was expanding its role and staff under its own 2009 legislative directive. SMRT has just now begun the process of establishing baseline data and performance indicators which should result in a decrease in case processing times in 2013.

While fiscal year 2012 was stabilizing, it was not without its own set of challenges. On January 1st, SMRT took over the contracted portion of the determination process. A long standing contract had expired and a decision was made to bring the determinations in house. This presented both challenges and opportunities, the results of which may have affected results contained in this report. SMRT has however, already seen an improvement in the consistency and accuracy of disability determinations as a result of this change.

Stabilization also gave SMRT the opportunity to take a closer look at the determination process and identify ways to improve efficiency. SMRT implemented and continues to implement small scale initiatives to reduce processing times, provide better information to clients and counties, create performance measures for staff and physicians, create a better operational system, and reduce the amount of time spent on determinations.

These small scale improvements will lay a foundation for implementing larger scale initiatives in fiscal year 2013 and beyond. Initiatives include an integrated and secure operational system, automated upload of medical records, and a more efficient and effective determination process; one that utilizes the knowledge and experience of SMRT staff and reduces dependency on counties, clients, and higher cost medical professionals.

Fiscal year 2013 is expected to result in a good solid base of operations for SMRT better preparing us for upcoming health care changes in 2014.