

# **Activities of the State Medical Review Team**

## **Fiscal Year 2014**

**Health Care Eligibility Operations  
February 2015**



**For more information, contact:**  
Minnesota Department of Human Services  
Health Care Administration  
P.O. Box 69083  
St. Paul, MN 55164-0989  
(651) 431-4210

This information is available in alternative formats  
to individuals with disabilities by calling  
(651) 431-4210.

Consumers with hearing or speech disabilities may contact us  
via their preferred Telecommunications Relay Service  
(800) 627-3529.

For Speech-to-Speech, call  
(877) 627-3848.

For additional assistance with legal rights and protections for equal access to  
human services programs, contact the DHS' ADA coordinator.

Minnesota Statutes, Chapter 3.197, requires the disclosure of the cost to prepare this report. The  
estimated cost of preparing this report is approximately \$1,815.52.

*Printed with a minimum of 10 percent post-consumer material. Please recycle.*

## Table of Contents

I.	Executive Summary .....	4
II.	Legislation .....	6
III.	Introduction .....	7
IV.	Background .....	8
V.	Methodology.....	10
VI.	Report Results .....	11
	A. Historical Results .....	11
	B. Individual Report Results .....	11
VII.	Summary.....	17

## I. Executive summary

The State Medical Review Team (SMRT) disability certification establishes a basis of eligibility for Medical Assistance (MA), Minnesota's Medicaid program. The SMRT completes disability determinations according to criteria defined by the Social Security Administration (SSA).

Counties submit referrals on behalf of their clients. The SMRT staff process these cases and make determinations in consultation with medical professionals.

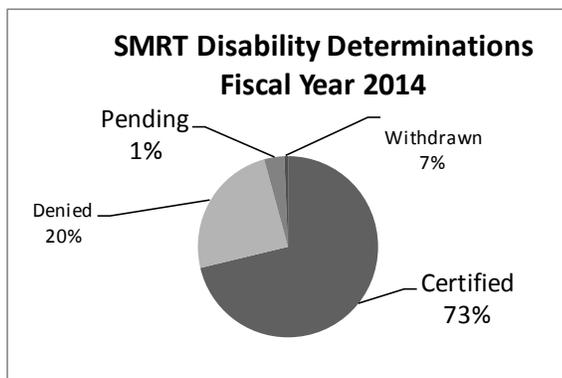
The SMRT certifies clients as disabled for a period of one to seven years. At the end of the certification period, the SMRT examines new medical evidence to determine whether the client's impairment has improved. In fiscal year 2014, 22 percent of disability determinations were continuing disability reviews.

The SMRT received **6,700 referrals** in fiscal year 2014:

- This was a 24 percent reduction over fiscal year 2013.
- The average SMRT client was 31 years old, younger than in fiscal year 2013.
- Over half did not have coverage at referral.
- Slightly less than half had an active application for SSA disability benefits.
- About one quarter was in the hospital right before SMRT deferred them. .

SMRT referrals result in a certification or denial. Some clients withdraw referrals, although a few remain pending while SMRT obtains medical evidence to make a determination.

The average length of time from referral to a decision was **40 days, a 26 percent reduction** from fiscal year 2013.

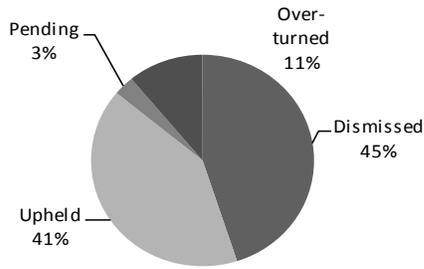


Of the **6,700** 2014 referrals, the SMRT

- certified 4,880 (73 percent)
- denied 1,329 (20 percent)
- pended 26 or (1percent)

Clients withdrew 465 (7 percent) referrals.

**SMRT Appeals  
Fiscal Year 2014**



Of the 1,329 SMRT denials, 114 were appeals (9 percent). Of these, the state appeals office

- dismissed 51 (45 percent)
- upheld 47 (41 percent)
- pended 3 (3 percent)
- overturned 13 (11 percent)

The average length of time from DHS receipt of an appeal request to a decision was **77 days**.

## II. Legislation

Minnesota Statutes, section 256.01, subdivision 29(c) mandates this Legislative Report.

(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

SMRT staff prepared this report in response to a mandate under Minnesota Statutes, section 256.01, subdivision 29(c). This report conveys the results of the data requested by statute. It includes brief background information to familiarize the reader with the disability determination process as well as an explanation as to why data may vary from previous years.

- This report includes fiscal year data for activities performed by the Department of Human Services (DHS) State Medical Review Team (SMRT), Appeals & Regulations and other related areas of the department.
- SMRT staff compiled and wrote this report with input from data specialists in the DHS Health Care Research and Quality and the Appeals & Regulations Divisions.
- 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 \$1,815.52.

## **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 functions parallel the disability determination process SSA uses. The SSA does not recognize a SMRT determination, so it cannot result in eligibility in any federally administered program.

### **Social Security Administration Process**

SSA criteria for a disability determination follows a five-step process designed to determine how an applicant's physical and/or mental condition affects their ability to work or perform activities of daily living.

1. Financial screens.
2. A medical screen to deny applicants without a severe impairment.
3. A medical screen to allow applicants who are the most severely disabled.
4. Can severely impaired applicants work in their past jobs?
5. Can severely impaired applicants do other work in the national economy?

Impairment-related medical evidence is required for a disability determination. Children applying for MA services under the TEFRA option also must demonstrate that their condition(s) require the same level of care as provided in a residential facility, hospital or nursing home.

### **The SMRT Process**

1. Counties generate referrals to SMRT on behalf of applicants and clients.
2. SMRT mails the client information and assigns a case manager.
3. The case manager interviews the client, determines what evidence they need, requests medical records from providers, sets up exams and owns the case until SMRT makes a decision.
4. They make repeated attempts to contact a client by phone and mail or through social workers or others.
5. If a client does not respond after 60 days, the case is determined using the evidence on file or denied for insufficient information if there is no evidence on file.
6. SMRT case managers complete disability decisions and escalate cases to a medical professional when necessary. This allows for a case decision at the earliest possible point in the determination process.

7. A SMRT certification establishes a basis of eligibility in Medical Assistance (MA), including waiver programs, TEFRA and Medical Assistance for Employed Persons with Disabilities (MA-EPD).
8. The SMRT mails results to the client and faxes them to the referring county.

Certifications are valid for at least one year and up to seven years depending on the severity and permanence of the disability. Under the TEFRA option, the SMRT can certify children for up to four years.

At the end of the certification period,

- The SMRT may complete a Continuing Disability Review (CDR).
- Following SSA criteria, SMRT collects and examines current medical evidence to determine whether the severity of the client's impairment has improved since their last review.
- In fiscal year 2014, 22 percent of all disability determinations were continuing disability reviews.

## V. Methodology

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 DHS Appeals & Regulations database

The SMRT database tracks the status of a referral from the date received to the date the SMRT makes a disability or appeal decision. The database also records personal information about clients, including name, age, state identifiers and the programs for which they applied.

Data from the SMRT database is searchable via query in Microsoft Access, cross-checked against original documents and matched against data from MMIS and MAXIS through the state's data warehouse.

DHS analyzed referrals and appeals received from July 1, 2013 through June 30, 2014 through to their completion, including case decisions made after the date range. Appeals data from the SMRT database was cross-matched with data from the state's appeals database.

A SMRT data specialist extracted data from the SMRT database on December 5, 2014. This data 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).

An appeals data specialist extracted data from the state's appeals database on December 11, 2014. This data was sufficient to complete the statutory requirements in paragraph (3), including the length of time from appeal request to a written decision.

Data from the state's data warehouse, specifically MMIS and MAXIS, was sufficient to complete the remaining statutory requirements in paragraph (4). A data specialist from Health Care Research and Quality extracted the following data from the state's data warehouse on December 9, 2014:

- 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 was pending.

SMRT provided the information listed in statute under paragraph (5) regarding the qualifications and experience of the staff and medical professionals who perform the determinations.

## 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
2010	9,159	+25 %
2011	10,501	+15 %
2012	8,356	-8 %
2013	8,865	+6%
2014	6,700	-24%

SMRT experienced a significant increase in referrals from fiscal years 2009 through 2011 as policy changed for both SMRT and Adults without Children. Without major policy changes in fiscal years 2012 and 2013, SMRT referrals returned to a more normal and predictive rate of increase. In fiscal year 2014 we see a significant decrease in referrals as policy again changed with the implementation of the Affordable Care Act and MNsure.

### B. Individual Report Results

#### Statute

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 2014, the State Medical Review Team received a total of **6,700 referrals**.

Of the 6,700 referrals, 5,257 or 78 percent were new cases and 1,443 or 22 percent were continuing disability reviews.

There are four outcome categories 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 case was still pending or under review at the time the data was pulled.

### SMRT referral outcomes for fiscal year 2014

Outcome	Number	Percent
Certified	4,880	73%
Denied	1,329	20%
Withdrawn	465	7%
Pending	26	Less than 1%

If a person became eligible for Social Security Income (SSI) or Retirement Survivors Disability Income (RSDI), the SMRT withdrew the case.

**Statute**

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, SMRT staff

- calculated length of time in calendar days.
- defined “receipt of application” date as the date the county faxed the referral to SMRT.
- defined “decision” as the date of certification or denial.

For all SMRT referrals in fiscal year 2014, the average time from receipt of the referral to a disability decision was **40 days**.

The data includes cases submitted with sufficient information and those that required additional information. A case that requires additional information can take up to twice as long to process. Due to a SMRT policy change in fiscal year 2014, all cases submitted after January 2014 required additional information. Of the 6,700 cases processed, 3,084 or **46 percent** required additional information.

### **Statute**

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;
- (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 received **114 appeals** on cases received by SMRT in fiscal year 2014.

There are four possible outcomes of appeals:

- 1) **Dismissed:** the DHS Appeals Office dismissed the appeal before a they conducted a fair hearing. 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) **Overtured:** 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	51	45%
Upheld	47	41%
Overtured	13	11%
Pending	3	3%

The average length of time from the appeal request to an appeal decision was **77 days**. Appeals that went to hearing took longer than the appeals that were dismissed. On average, appeals that went to hearing took **99 days**.

For this report, SMRT staff

- calculated length of time in calendar days with time credited when the appeal hearing is continued or appeal record held open for the appellant’s benefit.
- defined the “date filed” as the date the Appeals office received the appeals request.
- defined the “date closed” as the date the order was signed off on by the chief Human Services Judge.

SMRT completed approximately 68% appeals within the 90 day statutory time frame. Of the 32% that surpass the 90-day time frame, half were settled within 21 days and most were upheld or overturned. As per statute, a Chief Human Services Judge reviews all appeals that surpass the 90-day time frame. To meet this requirement, chief human service judges review each of the appeals judges’ open appeals on a monthly basis.

### Statute

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 2014, the **average age** of a SMRT applicant was **31**.

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

<b>Third-Party Liability coverage?</b>	<b>Number</b>	<b>Percent of total</b>
Yes	1,833	27%
No	4,297	64%
Unknown	570	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-month period prior to and after the application date.

DHS has records of a hospitalization in the **three months prior** to the date of application for **1,211 or 18%** of all SMRT applicants.

<b>Hospitalized 3 months prior to application date</b>	<b>Number</b>	<b>Percent of total</b>
Yes	1,211	18%
No	5,489	82%

DHS had records of hospitalizations in the **three months after** the date of application for **716 or 11%** of all SMRT applicants.

<b>Hospitalized 3 months after application date</b>	<b>Number</b>	<b>Percent of total</b>
Yes	716	11%
No	5,984	89%

“*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.”

On the date they applied, **2,699 or 40%** of all applicants had an application for SSI/RSDI pending with the Social Security Administration.

### **Statute**

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.

The following qualified staff and medical professionals performed medical review determinations for SMRT in fiscal year 2013:

- Registered Nurse, Public Health Nurse-16 years completing SMRT determinations.
- Clinical Reviewer-eight years with Social Security and three years with SMRT.
- Pediatrician-four years with Social Security and three years with SMRT.
- Child Psychologist-23 years with Social Security and three years with SMRT.
- Two PhD Psychologists-combined 43 years with Social Security and six years with SMRT.
- One PhD Psychologist-three years with Social Security and almost two years with SMRT.
- Three MD's-combined 33 years with Social Security and nine years with SMRT.
- Eight case managers - combined 35 years with Social Security and 24 years with SMRT.

These professionals have **149 combined years of experience** performing Social Security disability reviews and **96 years performing SMRT disability determinations**.

## VII. Summary

Prior to fiscal year 2009, referrals were stable with modest and predictable annual increases. Legislative and policy changes implemented between fiscal year 2009 and 2012 led to significant increases each year. In 2012 things changed as referrals plummeted and then slowly stabilized. For the first time since 2009, SMRT was able to establish useable baseline and performance data and implement some small scale initiatives to improve processes. The stability of fiscal year 2013 allowed SMRT to improve some previously labor intensive processes.

In fiscal year 2014, efforts continued as SMRT implemented continuous improvement strategies. In January of 2014, counties were no longer required to collect forms and medical evidence prior to submitting a referral. This eliminated a two to 12 month wait clients experienced before SMRT even received a referral.

In fiscal year 2013, SMRT reported that it took 54 days for a disability decision. That number didn't include the time it took for the county to collect SMRT information. There was no accurate method to capture or calculate how much time that took. This change meant that SMRT workload would increase as SMRT case managers began collecting all relevant information. In fiscal year 2014, even with the increased workload, the number of days to a decision decreased to 40, a 26 percent decrease. In fiscal year 2015, SMRT will now have the ability to track this data and more accurately report the total number of days it takes to process a SMRT referral.

Additional SMRT efforts in fiscal year 2014 to simplify forms, increase contacts with clients and have case managers make disability decisions earlier in the process have reduced processing times, improved data accuracy and improved the overall client experience.

In fiscal year 2014, SMRT began working with other areas of the department to ensure clients certified by SMRT also apply for Social Security disability benefits and to improve consistency in assessments throughout the department. In fiscal year 2015, SMRT will continue those efforts and leverage technology to improve efficiency when they deploy a new SMRT case management system is deployed.