

Activities of the State Medical Review Team Fiscal Year 2013

Health Care Administration
February 2014



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

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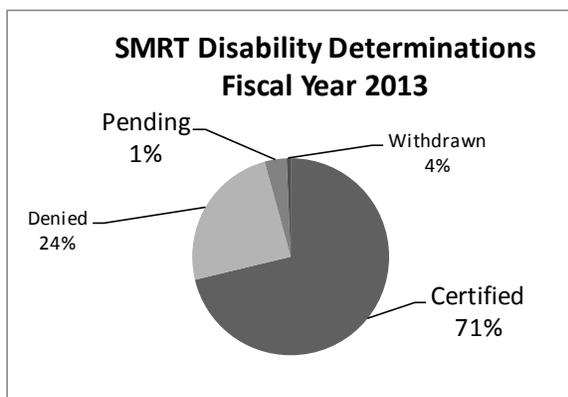
I. Executive summary

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 (MA), the state's Medicaid program. Counties submit applications on behalf of their clients. SMRT staff processes these applications and makes determinations in consultation with contracted physicians and psychologists.

Clients are certified 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 2013, 19 percent of all disability determinations were recertifications.

SMRT received **8,865 applications** for disability determinations in fiscal year 2013. This reflects a six percent increase over fiscal year 2012. The average SMRT applicant was 34 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.

SMRT applications result in a certification or denial. Some applications are withdrawn. A few remain pending while SMRT continues to obtain additional evidence to make a final determination. The average length of time from DHS receipt of a SMRT application to a decision was **54 days**.



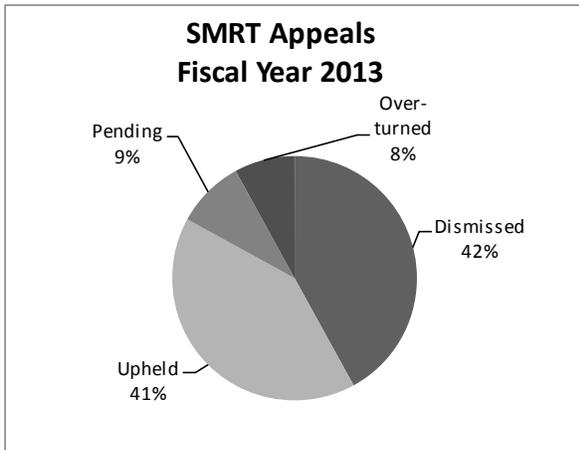
Of the **8,865** 2013 applications, the SMRT

- certified 6,316 (71 percent)
- denied 2,170 (24 percent).
- pending 58 (1 percent).

Three hundred and twenty one (4 percent) applications were **withdrawn**.

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Of the 2,170 SMRT denials, clients filed **132 appeals (6 percent)** with the state appeals office.



Of the **132** appeals, the state appeals office

- dismissed **55 appeals (42 percent)**.
- upheld 54 (41 percent).
- pended 12 (9 percent).
- overturned 11 (8 percent).

The average length of time from DHS receipt of an appeal request to a decision was **75 days**.

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). 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.

- It includes fiscal year data for activities performed by the State Medical Review Team (SMRT) and other related areas of the department.
- SMRT staff compiled and wrote this report with input from data specialists in the Health Services and Medical Management and the Appeals and 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 \$2,674.65.

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 in parallel to the disability determination process used by SSA. The SSA does not recognize SMRT determinations 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 a residential facility, hospital or nursing home would provide.. 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, decides if additional information is needed and attempts to collect it. SMRT requests the specific information from the provider if known. If not, SMRT sends at least two notices to the client requesting the information and attempts to reach the client by phone. After a minimum of 60 days, if a client does not respond, the case may be forwarded for a determination based on the evidence on file. SMRT continues to process a case as long as the client continues to respond. Once SMRT has exhausted all efforts to collect the information needed, SMRT denies the case for non-cooperation. SMRT case managers determine disability for easily verified cases such as conditions listed on the Compassionate Allowance Listings by SSA. The rest are forwarded to a clinical reviewer for a determination. The clinical reviewers send 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). SMRT mails results of the disability determinations to the client and faxes it 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 2013, 19 percent of all disability determinations were recertifications.

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 and 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
- 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, cross-checked against original documents and matched against data from MMIS and MAXIS through the state's data warehouse.

DHS analyzed disability referrals received in state fiscal year 2013. They examined referrals submitted up to and including June 30, 2013 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 2013. DHS analyzed appeals data from the SMRT database cross-matched with data from the state's appeals database from the same period of time. Staff used data from the appeals database to calculate the time from the appeal request to a written decision.

Staff extracted the data from the SMRT database on December 18, 2013. 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).

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. A data specialist in the Appeals and Regulations Division pulled this data element from the appeals database on December 12, 2013.

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 a data specialist in the Health Services and Medical Management Division extracted these data elements from the state's data warehouse on December 13, 2013. These elements are listed in the statute under paragraph (4):

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- 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.

SMRT provided the data and information required by paragraph (5) regarding the qualifications and experience of the 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
2009	7,298	+9 %
2010	9,159	+25 %
2011	10,501	+15 %
2012	8,356	-8 %
2013	8,865	+6%

SMRT experienced a significant shift in referrals from 2009 through 2012 as policy changed for both SMRT and for MA for Adults without Children. The shift in 2012 and stabilization in 2013 are indicative of a return to a more normal and predictive rate of increase.

B. Individual Report Results

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

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

In fiscal year 2013, the State Medical Review Team received a total of **8,865 referrals or applications**.

Of the 8,865 referrals, 7,221 or 81 percent were new cases and 1,644 or 19 percent were recertifications.

There are four categories of outcomes 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.

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SMRT referral outcomes for fiscal year 2013 were

Outcome	Number	Percent
Certified	6,316	71%
Denied	2,170	24%
Withdrawn	321	4%
Pending	58	1%

Cases are usually 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:

(1) *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 the “receipt of application” date as the date the county faxed the referral to SMRT.
- defined “decision” as the date the certification or denial determination was made.

For all SMRT referrals in fiscal year 2013, the average time from receipt of the referral to a disability decision was **54 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 8,865 cases processed, **3,478 or 39 percent 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;*

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The Appeals Office received **132 appeals** on cases received by SMRT in fiscal year 2013.

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. **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 2013 appeals outcomes:

Result	Number	Percent
Dismissed	55	42%
Upheld	54	41%
Overtured	12	9%
Pending	11	8%

The average length of time from the appeal request to an appeal decision was **75 days**. Appeals that went to hearing took longer than the appeals that were dismissed. On average, appeals that went to hearing took **90 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 appeal request.
- defined "date closed" as the date the order was signed off on by the chief Human Services Judge.

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Approximately 70 percent of SMRT appeals are completed within the 90 day statutory time frame. Of the 30 percent that surpass the 90-day time frame, half were settled within 36 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.

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 2013, the **average age** of a SMRT applicant was **34**.

“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 are consistent with those reported in fiscal year 2012.

Third-Party Liability coverage?	Number	Percent of total
Yes	2,011	23%
No	6,040	68%
Unknown	814	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 application date to three months after the application date. 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.

DHS had records of hospitalizations in **the three months prior** to the application date for **1,873 or 21percent of all SMRT applicants**.

Hospitalized 3 months prior to application date?	Number	Percent of total
Yes	1,873	21%
No	6,992	79%

DHS had records of hospitalizations in **the three months after** to the application date for **1,069 or 13 percent of all SMRT applicants**,

Hospitalized 3 months after application date?	Number	Percent of total
Yes	1,069	12%
No	7,796	88%

“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, **4,108 or 46 percent** of all applicants had an application for SSI/RSDI pending with the Social Security Administration.

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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-15 years completing SMRT determinations.
- Clinical Reviewer-eight years with Social Security and two years with SMRT.
- Pediatrician-four years with Social Security and two years with SMRT.
- Child Psychologist-23 years with Social Security and two years with SMRT.
- Two PhD Psychologists-combined 43 years with Social Security and four years with MRT.
- One PhD Psychologist-three years with Social Security and less than one year with SMRT.
- Three MD's-combined 33 years with Social Security and six years with SMRT.

These professionals have 148 combined years of experience performing medical review 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 radically as referrals plummeted and slowly stabilized. SMRT was, for the first time since 2009, able to establish useable baseline and performance data and implement some small-scale initiatives to improve processes. SMRT expected to see numbers remain consistent throughout fiscal year 2013.

Fiscal year 2013 resulted in a solid base of operations and

- Procedures that streamlined previously labor intensive processes, reduced processing times, and better utilization of staff to reduce dependency on counties, clients, and higher cost medical professionals.
- simplified forms and better information to clients and counties.
- enhanced federal funding to help pay for the development of an integrated and secure case management system.

SMRT has come full circle since 2009, returning to modest increases and a stable, more predictable environment. In fiscal year 2014, the SMRT will leverage technology to further decrease processing time and improve the client experience.