

Collaborative Quality Project Between Utilization Management and Appeals



Johns Hopkins HealthCare

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Debate

A denial is only as good as the outcome of the appeal

But what if all the denials are overturned?

Executive Summary

- Johns Hopkins HealthCare's (JHHC) Denials and Appeals team was originally developed to identify process improvement opportunities between JHHC's Utilization Management (UM) and Appeals Department
- Comparative analysis was performed on a study population selected from UM concurrently issued inpatient denials for September 2007
- Results demonstrated several areas for interdepartmental process improvements

Purpose

- Prove or dispel assumptions
 - Inability to align denial and appeal statistics due to disparate database reporting
 - UM perception that the Appeals Department overturns a majority of UM denials
 - Appeals perception that the UM Department was using inappropriate denial reason codes

Behavioral Objectives

- The learner will be able to:
 - Identify the purpose of JHHC's Denials and Appeals quality project
 - Differentiate between the review findings:
 - Original UM determination
 - Appeals Outcome determination
 - Study analysis
 - Match areas of improvement with departmental interventions implemented

Johns Hopkins HealthCare

JHHC develops and manages contractual relationships with managed care organizations, employers, hospitals, physicians and other health care providers.

Managed Care Company

- Lines of Business
 - Employer Health Programs
 - Priority Partners Managed Care Organization (PPMCO)
 - Johns Hopkins US Family Health Plan (USFHP)
- Appeals Department
 - Administrative Support
 - Clinical Staff
- Utilization Management (UM)
 - Behavioral Health
 - Inpatient Utilization Management
 - Outpatient Medical Review
 - Intake Services

Denial and Appeal Rates

- Denial Rates
 - Administrative vs. Clinical
 - Inpatient
 - Outpatient
 - Behavioral Health
- Overturn Rates
 - First level appeal
 - Second level appeal

Audit Methodology

- Identification of universe
 - All September 2006 concurrently issued UM denials
- Sample determination
 - Post Appeals Department reconciliation of UM identified cases
- Record abstraction
 - Directors of both departments performed a review of all case data including:
 - All relevant UM case notes
 - All relevant UM concurrently issued denial letters
 - Entire appeal case submission

Methodology

- All overturn and partial overturn outcome determinations were scrutinized to answer the following questions:
 - Was the case appropriately denied by UM?
 - Did the original outcome determination letter reflect the appropriate denial reason code?
 - Was the appeals case appropriately worked?
 - If overturned on appeal, did the documentation support the overturn?

Denial Reason

- All overturn and partial overturn outcome determinations were scrutinized to answer the following questions:
 - Was the case appropriately denied by UM?
 - Denial reasons
 - Clinical vs. administrative

Number of Denials

Line of Business (LOB)	Total # of Denial Letters Issued by UM	Total # of Distinct Cases
Priority Partners (PPMCO)	214	185
Uniformed Services Family Health Plan (USFHP)	35	30

Raw Data

LOB	Total # of Distinct Cases	# and % of 1 st level appeals	# and % of cases overturned on 1 st level appeal (includes partial overturn)	# and % of 2nd level appeals	# and % of cases overturned on 2nd level appeal (includes partial overturn)
PPMCO	185	50 (27%)	21 (42%)	6 (21%)	2 (33%)
USFHP	30	6 (20%)	4 (67%)	2 (100%)	0 (0%)

Concurrent UM Review Findings

- Original Determination
 - Concurrent denial appropriately issued
 - 96% PPMCO
 - 100% USFHP
 - Presence of a concurrent UM reviewer use of a sub-optimal selection of denial reason code
 - 2% PPMCO
 - 0% USFHP

Disparate Databases

- Identification and confirmation of disparate databases
 - UM denials are tracked by each letter issued
 - Appeals cases are tracked by episode of care
 - Neither database tracks actual dates denied

Appeals Determination

- First level appeal
 - # Overturned or partially overturned
 - 21 PPMCO cases
 - 4 USFHP
 - Concurrence with Appeals RN determination to overturn
 - 86% PPMCO
 - 100% USFHP
 - Rationale for overturns
 - Additional information provided on appeal than was available during concurrent review
 - Proof of timely notification supplied
 - Proof of extenuating circumstances for failure to notify health plan

Audit Summary by LOB

- PPMCO
 - 27% of the distinct cases concurrently denied by UM were appealed
 - 100% were provider appeals
 - 42% were overturned at 1st level
 - 21% of those cases overturned at 1st level were re-appealed
 - 33% of those re-appealed were overturned at 2nd level

Summary (continued)

- USFHP
 - 6% of the distinct cases concurrently denied by UM were appealed
 - 67% were provider appeals
 - 67% were overturned at 1st level
 - 100% of those cases overturned at 1st level were re-appealed
 - 0% of those re-appealed were overturned at 2nd level

Departmental Work Plans

- Departmental specific
 - Addressing:
 - Staff education
 - Equipment needs
 - System enhancements
 - Development and institution of dedicated audit program
 - Future data analysis
 - Development of process improvement initiatives

Collaborative Work Plan

• Inter-departmental work plan

- Ongoing review of denial and appeals cases by UM and Appeals Department Directors
- Meetings with Medical Directors to discuss cases where divergent Medical Director opinions are rendered
- Development of UM and Appeals team meetings
- Annual approval of review criterion by Plan oversight committee
- Reporting of annual inter-rater reliability testing results to appropriate Plan oversight committee
- Annual review of outcome determination letters

New Project

Outpatient Medical Review and Appeals

- Setting: Outpatient Office and Outpatient Hospital
- Denial Rate of 2.1%
- Appeal Overturn Rate of 40%

Questions? Thank you



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Remember- what goes on in Vegas stays in Vegas! Let's have some fun!



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