



North Carolina Department of Health and Human Services

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Beverly Eaves Perdue, Governor

March 1, 2010

Lanier M. Cansler, Secretary

The Honorable Beverly Earle, Co-Chair
Appropriations Subcommittee on Health
and Human Services
North Carolina General Assembly
Room 634, Legislative Office Building
Raleigh, NC 27603

The Honorable Verla Insko, Co-Chair
Appropriations Subcommittee on Health
and Human Services
North Carolina General Assembly
Room 307-B1, Legislative Office Building
Raleigh, NC 27603

The Honorable Bob England, Co-Chair
Appropriations Subcommittee on Health
and Human Services
North Carolina General Assembly
Room 303, Legislative Office Building
Raleigh, NC 27603

Dear Representatives Earle, Insko and England:

Pursuant to S.L. 2008-107, Section 10.15A(e), beginning July 1, 2008, all Community Support Services (CSS) provider appeals were to be heard by the DHHS Hearing Office. Section 10.15A(e4) of Session-Law 2008-107, requires the Department of Health and Human Services to report to the House of Representatives Appropriations Subcommittee on Health and Human Services. This is the third and final report. Pursuant to the provisions of law, the Department is pleased to submit the attached report.

Please direct all questions concerning this report to Lavette Young, Chief Hearing Officer at (919) 647-8205.

Sincerely,

A handwritten signature in black ink, appearing to read "Lanier".

Lanier M. Cansler

LMC:ly

Attachment

Cc: Allen Feezor
Dan Stewart
Sharnese Ransome
Craig L. Gray, MD
Jennifer Hoffmann

Legislative Library (one hard copy)
Melanie Bush
Jim Slate



**DEPARTMENT OF HEALTH AND HUMAN SERVICES
LEGISLATIVE REPORT**

**APPEALS PROCESS FOR MEDICAID
COMMUNITY SUPPORT PROVIDERS
NC S.L. 2008-107, Section 10.15A(e1)-(e4)
EFFECTIVE JULY 01, 2008**

TO THE

**HOUSE OF REPRESENTATIVES APPROPRIATIONS
SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES,**

**SENATE APPROPRIATIONS SUBCOMMITTEE ON
HEALTH AND HUMAN SERVICES,**

**JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL
HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE
ABUSE SERVICES, AND**

FISCAL RESEARCH DIVISION

DUE DATE: MARCH 1, 2010

Since S.L. 2008-107, was enacted, the Hearing Office has received 370 Community Support Services (CSS) provider appeals including the 269 cases converted from informal and those transferred from OAH (Office of Administrative Hearings). The initial 269 converted and transferred cases consisted of 195 converted cases and 74 transferred cases. Since the October 1, 2009 report, 17 new CSS provider cases have been received. Currently there are 74 CSS provider appeals pending. Of the 370 cases received since the CSS evidentiary process began, 296 (80%) have been closed and resolved.

In addition to processing the CSS provider appeals, for calendar year 2009, the Hearing Office also received **904** appeal requests of the other types of hearings we conduct. These include:

623 Non-CSS Provider Reconsideration Reviews:

- 110 Program Integrity Provider Medical Review appeals
- 33 Program Integrity Provider Home Care Review appeals
- 384 Program Integrity Provider Pharmacy Section appeals
- 96 other types of provider appeals including Special Project Section the recently created Behavioral Health Review Section, and Provider Services enrollment termination and enrollment denial appeals

281 appeals of Nursing Home and Adult Care Home Transfer/Discharge and PASARR (Preadmission and Annual Resident Review) appeals:

- 96 Adult Care Home
- 159 Nursing Home
- 26 PASARR

Session Law 2008-107 required that all new cases be heard and a final decision be rendered within 90 days of the filing of the appeal. This requirement was recently changed to 180 days by S.L. 2009-550. Since the last report of October 1, 2009 no cases have exceeded the legislative timeline.

The complexity of the hearings handled by this office varies depending on the issue(s) of the case, the amount of the overpayment in recoupment cases, the number and/or severity of reason(s) for withdrawal of endorsement in an endorsement hearing, the number of parties and witnesses, and the volume documents submitted for the appeal, etc. The duration of CSS evidentiary hearings, depending upon these and other factors, still range from under an hour to four (4) full days. For the CSS evidentiary provider appeals, over 50% of the providers have attorney representation and the remaining are pro se. When the provider has an attorney, the LME (if endorsement) or DMA (if recoupment or enrollment denial or termination) also has attorney representation.

To date, 16 CSS provider cases have been appealed further to Superior Court for judicial review. This office is an integral component in the timely disposition of numerous cases involving matters such as overpayments of Medicaid dollars, endorsement actions and provider termination actions.