



North Carolina Department of Health and Human Services

2001 Mail Service Center • Raleigh, North Carolina 27699-2001

Tel 919-733-4534 • Fax 919-715-4645

Beverly Eaves Perdue, Governor

October 1, 2009

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:

Section 3.13(b) of Session Law 2008-118 amended Session Law 2008-107 Section 10.15A by adding five new subsections, one of which is Section 10.15A(h6). This section requires DHHS and the Office of Administrative Hearings to report to the NCGA on the "costs, effectiveness, and efficiency of the appeals process for Medicaid applicants and recipients and make recommendations regarding the continuation of the process." It is my pleasure to submit the report at this time.

Please direct all questions concerning this report to Patti Forest, MD, Acting Assistant Director for Clinical Policy and Programs at (919) 855-4260.

Sincerely,

A handwritten signature in black ink, appearing to read "Lanier", written over a horizontal line.

Lanier M. Cansler

LMC:clg

Attachment

cc: Allen Feezor
Dan Stewart
Craig L. Gray, MD, MBA, JD
Sharnese Ransome
Jennifer Hoffmann
Julian Mann, OAH
Bain Jones, OAH
Legislative Library (2)

Location: 101 Blair Drive • Adams Building • Raleigh, N.C. 27603
An Equal Opportunity / Affirmative Action Employer





North Carolina Department of Health and Human Services

2001 Mail Service Center • Raleigh, North Carolina 27699-2001

Tel 919-733-4534 • Fax 919-715-4645

Beverly Eaves Perdue, Governor

October 1, 2009

Lanier M. Cansler, Secretary

The Honorable William Purcell, Co-Chair
Appropriations on Health
and Human Services
North Carolina General Assembly
Room 625, Legislative Office Building
Raleigh, NC 27603

The Honorable Doug Berger, Co-Chair
Appropriations on Health
and Human Services
North Carolina General Assembly
Room 526, Legislative Office Building
Raleigh, NC 27603

Dear Senators Purcell and Berger:

Section 3.13(b) of Session Law 2008-118 amended Session Law 2008-107 Section 10.15A by adding five new subsections, one of which is Section 10.15A(h6). This section requires DHHS and the Office of Administrative Hearings to report to the NCGA on the "costs, effectiveness, and efficiency of the appeals process for Medicaid applicants and recipients and make recommendations regarding the continuation of the process." It is my pleasure to submit the report at this time.

Please direct all questions concerning this report to Patti Forest, MD, Acting Assistant Director for Clinical Policy and Programs at (919) 855-4260.

Sincerely,

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

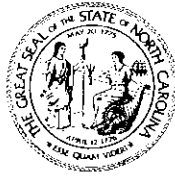
Lanier M. Cansler

LMC:clg

Attachment

cc: Allen Feezor
Dan Stewart
Craig L. Gray, MD, MBA, JD
Sharnese Ransome
Jennifer Hoffmann
Julian Mann, OAH
Bain Jones, OAH
Legislative Library (2)





North Carolina Department of Health and Human Services

2001 Mail Service Center • Raleigh, North Carolina 27699-2001

Tel 919-733-4534 • Fax 919-715-4645

Beverly Eaves Perdue, Governor

October 1, 2009

Lanier M. Cansler, Secretary

The Honorable Martin Nesbitt, Jr., Co-Chair
Joint Legislative Oversight Committee on MHDDSAS
North Carolina General Assembly Senate
Room 300B, Legislative Office Building
Raleigh, NC 27603

Dear Senator Nesbitt:

Section 3.13(b) of Session Law 2008-118 amended Session Law 2008-107 Section 10.15A by adding five new subsections, one of which is Section 10.15A(h6). This section requires DHHS and the Office of Administrative Hearings to report to the NCGA on the "costs, effectiveness, and efficiency of the appeals process for Medicaid applicants and recipients and make recommendations regarding the continuation of the process." It is my pleasure to submit the report at this time.

Please direct all questions concerning this report to Patti Forest, MD, Acting Assistant Director for Clinical Policy and Programs at (919) 855-4260.

Sincerely,

A handwritten signature in cursive script, appearing to read "Lanier".

Lanier M. Cansler

LMC:clg

Attachment

cc: Allen Feezor
Dan Stewart
Craig L. Gray, MD, MBA, JD
Sharnese Ransome
Jennifer Hoffmann
Julian Mann, OAH
Bain Jones, OAH
Legislative Library (2)





North Carolina Department of Health and Human Services

2001 Mail Service Center • Raleigh, North Carolina 27699-2001

Tel 919-733-4534 • Fax 919-715-4645

Beverly Eaves Perdue, Governor

October 1, 2009

Lanier M. Cansler, Secretary

The Honorable Verla Insko
Joint Legislative Oversight Committee on MHDDSAS
North Carolina General Assembly
Room 307-B1, Legislative Office Building
Raleigh, NC 27603

Dear Representative Insko:

Section 3.13(b) of Session Law 2008-118 amended Session Law 2008-107 Section 10.15A by adding five new subsections, one of which is Section 10.15A(h6). This section requires DHHS and the Office of Administrative Hearings to report to the NCGA on the "costs, effectiveness, and efficiency of the appeals process for Medicaid applicants and recipients and make recommendations regarding the continuation of the process." It is my pleasure to submit the report at this time.

Please direct all questions concerning this report to Patti Forest, MD, Acting Assistant Director for Clinical Policy and Programs at (919) 855-4260.

Sincerely,

A handwritten signature in black ink, appearing to read "Lanier", written over a horizontal line.

Lanier M. Cansler

LMC:clg

Attachment

cc: Allen Feezor
Dan Stewart
Craig L. Gray, MD, MBA, JD
Sharnese Ransome
Jennifer Hoffmann
Julian Mann, OAH
Bain Jones, OAH
Legislative Library (2)





North Carolina Department of Health and Human Services

2001 Mail Service Center • Raleigh, North Carolina 27699-2001

Tel 919-733-4534 • Fax 919-715-4645

Beverly Eaves Perdue, Governor

October 1, 2009

Lanier M. Cansler, Secretary

Marilyn Chism, Director
Fiscal Research Division
Room 619, Legislative Office Building
Raleigh, NC 27601

Dear Ms. Chism:

Section 3.13(b) of Session Law 2008-118 amended Session Law 2008-107 Section 10.15A by adding five new subsections, one of which is Section 10.15A(h6). This section requires DHHS and the Office of Administrative Hearings to report to the NCGA on the "costs, effectiveness, and efficiency of the appeals process for Medicaid applicants and recipients and make recommendations regarding the continuation of the process." It is my pleasure to submit the report at this time.

Please direct all questions concerning this report to Patti Forest, MD, Acting Assistant Director for Clinical Policy and Programs at (919) 855-4260.

Sincerely,

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

Lanier M. Cansler

LMC:clg

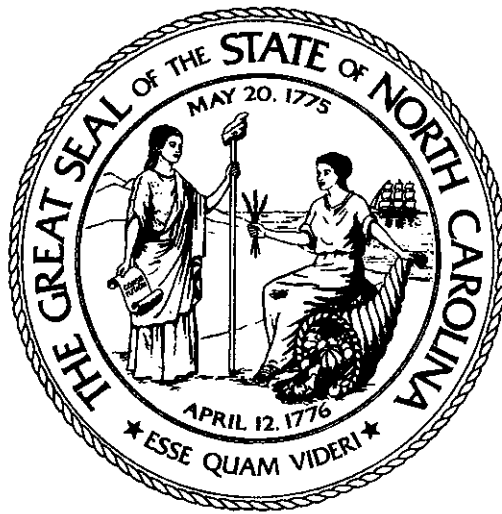
Attachment

cc: Allen Feezor
Dan Stewart
Craig L. Gray, MD, MBA, JD
Sharnese Ransome
Jennifer Hoffmann
Julian Mann, OAH
Bain Jones, OAH
Legislative Library (2)



Legislative Report

APPEALS PROCESS FOR MEDICAID APPLICANTS AND RECIPIENTS ESTABLISHED UNDER S.L. 2008-118, Sec. 3.13 and S.L. 2008-107 Sec. 10.15A (h6)



**State of North Carolina
Department of Health and Human Services
Division of Medical Assistance**



October 1, 2009

INTRODUCTION

Effective October 01, 2008, S.L. 2008-118, s. 10.15A.(h6) mandated that the Department of Health and Human Services (DHHS) and the Office of Administrative Hearings (OAH) report to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Subcommittee on Health and Human Services, the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, and the Fiscal Research Division on March 1, 2009, October 1, 2009, and March 1, 2010, on the costs, effectiveness, and efficiency of the appeals process for Medicaid applicants and recipients and make recommendations regarding the continuation of the process. The OAH has elected to file a report independent of the Department. This report covers the period March 01-July 31, 2009. To highlight effectiveness, costs, and efficiency of the Medicaid appeal process, some data reported covers the period October 01, 2008-July 31, 2009.

I. MEDICAID RECIPIENT DUE PROCESS (FORMAL OR FAIR HEARING) REQUIREMENTS

Whenever an adverse decision is made by Medicaid to deny, reduce, terminate, or suspend a Medicaid applicant's or recipient's medical, dental, or behavioral health services, due process or appeal rights are implicated. Written notice must be provided to the recipient/applicant and, if appropriate, his/her legal representative, as well as the service provider. The notice must include a clear statement of the decision, citation that supports the decision made, and appeal rights for a fair or formal hearing.

Effective October 01, 2008, S.L. 2008-118, s. 3.13 eliminated Medicaid *informal* appeals or reconsideration reviews with the Department of Health and Human Services (DHHS) Hearing Office as a hearing option for Medicaid recipients and applicants. Only a *formal or fair hearing* before the Office of Administrative Hearings (OAH) is required for adverse decisions made about a Medicaid recipient's or applicant's medical, dental, or behavioral health service requests. The law specifies deadlines throughout the formal hearing process that must be met by OAH and DHHS/DMA. Effective August 26, 2009, Session Law 2009-526, s. 2.(a) and (b) made various clarifying changes in the previously cited session law. See attached appeal timeline. The fair or formal hearing process, exclusive of a request for judicial review, must be completed within 90 days of the recipient's/applicant's filing with OAH and the DHHS General Counsel.

II. ACTIVITIES AND PROGRESS TO DATE TO IMPLEMENT S.L. 2008-118, s. 3.13, effective July 01, 2008, and S.L. 2009-256, s. 2.(A) AND (B), effective August 26, 2009

- **Continuing Implementation of Long-Term Process**

On February 2, 2009, Public Consulting Group (PCG) implemented the first phase of the permanent online document management system or clearinghouse.

This clearinghouse is located at <https://web.pcgus.com/ncmdp/>. The clearinghouse continues to provide a stable, central environment to accommodate the core appeal process established by S.L. 2008-118, s. 3.13. It utilizes significant efficiencies by automating many of the workflow procedures associated with the appeal process. Additionally, the clearinghouse is an efficient method for managing and storing a large volume of documents. For example, the clearinghouse automatically groups all related documents into a single case record. The clearinghouse tracks all crucial information about each document leading to a much higher level of organization and allows for robust reporting capabilities. The clearinghouse also allows for immediate electronic transmission of documents to and from the OAH, Mediation Network of North Carolina (MNNC), Department of Justice (DOJ), and DHHS/DMA.

- **Developing New Due Process Notices and Recipient Appeal Request Forms**
With the ratification of Session Law 2009-526, s. 2.(a) and (b) effective August 26, 2009, and anticipated acceptance of the mediated settlement between DHHS/DMA and Legal Services of North Carolina, Medicaid recipient notices and appeal request form are in the first stages of a re-write. Once revised, the notices must be reviewed and agreed upon by Legal Services, DHHS/DMA, and DOJ. It is projected that this will be accomplished by the date of the next legislative report.
- **Established Workflow Procedures and Memorandum of Agreement**
DHHS/DMA has worked with OAH and the MNNC to establish general mediation and hearing workflow procedures. From these procedures, a memorandum of agreement (MOA) was proposed between DMA/DHHS and OAH. This MOA is important as it will allow DHHS/DMA to draw down the federal match on the appeal process. The MOA was executed September 01, 2009.
- **Completing DMA/DHHS Vendor Contracts**
DMA/DHHS contracts with vendors are being amended to require their participation in the mediation and hearing processes and to reflect the requirements of Session Law 2009-526, s. 2.(a) and (b) effective August 26, 2009, and the anticipated mediated settlement between DHHS/DMA and Legal Services of North Carolina. It is projected that contract negotiations will be completed by the date of the next legislative report.
- **Developing Training for Recipients and Providers**
Training is being developed and will be provided to DMA and vendor staffs relative to the mediated settlement with Legal Services of North Carolina and Session Law 2009-526, s. 2.(a) and (b) effective August 26, 2009. Provider and recipient training will be confined to information contained in Medicaid publications (such as the provider and recipient links on the DMA website)

and, possibly, audio-video conferencing or other training modalities secondary to travel and budget restrictions. It is anticipated that a special Medicaid Bulletin on the Medicaid recipient appeal process will be published by the date of the next legislative report and that options for training will be developed and implemented as funds become available for the project.

III. ANALYSIS

- **Costs**

- **Maintenance of Services (MOS)**

If a **continuing** request for services is denied and a hearing request is submitted within 30 days of the date the notice was mailed, the recipient is entitled to receive services during the pendency of the appeal. The service will be provided in accordance with federal and state requirements as well as the mediated settlement with Legal Services of North Carolina. With the use of the clearinghouse, there has been more timely communication, and it has been determined that the new process and utilization of the document management system has saved approximately \$10.3 million in MOS costs and 165,200 maintenance of service days. See Table VI and supporting data.

- **Other Costs: Effective Date of Adverse Notices**

Session Law 2009-526, s. 2.(a) and (b) effective August 26, 2009, requires DHHS/DMA to reduce the effective date of the notice for continuing service requests from 30 to 10 days. While it is expected that this will decrease the amount of money spent on MOS, this can only occur if there is adequate infrastructure at every level of the appeal process, including fiscal and human resources to meet the session law requirements. It should be noted that DHHS/DMA submitted a budget request in 2008 and 2009 that included staff resources to implement the appeal process, and neither were approved. Due to the current budget constraints, DHHS/DMA may experience a delay in fully complying with the mandates of Session Law 2008-118, s. 3.13 effective July 01, 2008, and Session Law 2009-526, s. 2.(a) and (b) effective August 26, 2009.

- **Efficiency** is determined by whether or not the deadlines set forth in S.L. 2008-118, s. 3.13 was met for the period October 01, 2008-July 31, 2009. The deadlines and compliance results are summarized in Table I (appended to this report). OAH is preparing a legislative report independently of DHHS/DMA that may include different results/findings. The results found in Table I were compiled using data retrieved from the online document management system. OAH does not have access to the data that is collected from the online document management system, and, as a result, their findings may differ from those included in this report.

- **Effectiveness** of the process is reported in Table II (also appended to this report). For this reporting period, OAH, as indicated above, is preparing a legislative report independently of DHHS/DMA. All data reported in this table is for the time period October 01, 2008-July 31, 2009. The results found in Table II were compiled using data retrieved from the online document management system. OAH does not have access to the data that is collected from the online document management system, and, therefore, their findings may differ from those included in this report.

While the results reported for the period October 01, 2008-July 31, 2009, show some improvement in the areas of efficiency and effectiveness, a review of results for the period April 01-July 31, 2009, show more promising and significant findings. See Tables III and IV (appended to this report).

IV. CHALLENGES

- **Implementing Session Law 2009-526, s. 2.(a) and (b) effective August 26, 2009, and DHHS/DMA Mediated Settlement with Legal Services of North Carolina**

New due process notices and recipient appeal request forms need to be created and approved by DHHS, DOJ, and Legal Services of North Carolina; reviewed by OAH; and distributed throughout DHHS and to all vendors. Training for staff, recipients, providers, and vendors on the changes precipitated by Session Law 2009-526, s. 2.(a) and (b) effective August 26, 2009, and the mediated settlement with Legal Services of North Carolina is an integral part of success for any changes in the hearing process. Comprehensive internal and external training will have to be developed and presented within DHHS/DMA, including vendors, providers, and recipients. Due to travel and budget restrictions, full scale training for providers and recipients regarding changes mandated by Session Law 2009-526, s. 2.(a) and (b) effective August 26, 2009, and the settlement with Legal Services of North Carolina will initially be limited to Medicaid's provider publications and website. However, DMA will investigate other training possibilities.

- **Notifying DHHS/DMA of Requests for Mediations and Hearings**

Delays in the appeal process at any stage quickly result in:

- delayed transmission of data to the clearinghouse throughout the appeal process which impacts the timeliness and accuracy of the information needed by recipients, providers, DHHS/DMA, mediators, administrative law judges, and attorney generals as well as the allocation of human and fiscal resources;
- insufficient time for DHHS/DMA and DOJ to adequately prepare for mediations and hearings; and

- insufficient time and numerous scheduling conflicts for mediators, administrative law judges, attorney generals, and DHHS/DMA staff and vendors to schedule and attend mediations and hearings.
- **OAH Notification of Dismissal of Cases, Mediations Scheduled and Results, Hearings Scheduled and Decisions to DHHS/DMA**
While improved, delayed transmission of dismissals and mediation decisions to DHHS/DMA still occur occasionally and results in *extended payment/over payment to providers under maintenance of service*.

Additionally, timely processing and transmission is critical since it is directly linked to a series of e-mail alerts sent by the document management system to the appropriate Medicaid staff, vendors, and attorney generals to notify them that the case has been dismissed, mediation has been scheduled or completed, a hearing has been scheduled, or decision made. Most significant are the behavioral health services appeal cases due to the volume of appeals. As indicated above, delayed data entry of dismissals and mediation results directly impact the amount of reimbursement paid to providers under maintenance of service for the pendency of the appeal.

OAH has declined to transmit appeal requests, mediation documents, and hearing documents electronically to the clearinghouse (that activates the e-mail notification alert system). Effective March 01, 2009, DHHS/DMA assumed this responsibility. OAH electronically transmits documents, including mediation documents, to DHHS/DMA. DHHS/DMA then uploads the documents to the clearinghouse.

As required by Session Law 2009-526, s. 2.(a) and (b) effective August 26, 2009, mediators will transmit mediation documents to DHHS within 24 hours. DHHS/DMA will then upload the documents to the clearinghouse. This process could be made more efficient if mediators transmitted the documents directly to the clearinghouse. Additionally, the various mediation and hearing forms should contain the recipient's name, Medicaid identification number, petitioner's name, date of notice, and service under appeal. Both recommendations will allow DHHS/DMA, DOJ, OAH, and MNNC to easily identify the recipient and to prepare for mediation and hearing more effectively as the service under appeal will also be clearly identified. Ultimately, both recommendations will result in a cost savings to the state and improve efficiency of the appeal process.

- **Mediations**
S.L. 2008-118, s. 3.13 mandates that the Medicaid applicant or recipient be offered the option of mediation. The OAH website indicates mediation is the first step in the hearing process. The published information about the hearing process does not specify that mediation is optional.

- **Availability of Interpretative and Translation Services During Mediations and Hearings**

S.L. 2008-118, s. 3.13 required DHHS to transfer \$2million to OAH for mediation services provided for Medicaid applicant and recipient appeals and to contract for other services necessary to conduct the appeals process. Interpretative and translation services are services that are needed in the appeals process; however, OAH has not provided these services. Therefore, the Department has used to other resource to provide these services to ensure that Medicaid applicants and recipients fully understand the proceedings. DHHS/DMA will continue to work with OAH to make these services available to non-English speaking Medicaid recipients.

- **Availability of Telephone Hearings with Speaker Phone and Videoconferencing Capabilities**

Prior to the ratification of Session Law 2009-526, s. 2.(a) and (b) effective August 26, 2009, telephonic capability was not available to all recipients who wished to pursue this option. With the ratification of this bill, DHHS/DMA anticipates that OAH will notify the Department/Division when the telephonic option for hearing will be available to all recipients so DHHS/DMA may apprise recipients timely via revised due process notices.

Additionally, Session Law 2009-526, s. 2.(a) and (b) effective August 26, 2009, requires DHHS/DMA to notify recipients that fair hearings may be conducted on-site, telephonically, or by video technology. DHHS/DMA will assist OAH in the development of this technology as requested by OAH.

- **Hearings Requested by Providers Without Knowledge of Recipient or Legal Representative/Guardian**

A few mediations and hearings have been held under this condition, and some have been dismissed. Processing hearing requests when the recipient has no knowledge that a hearing has been requested on their behalf is resulting in confusion among recipients, applicants, providers, and DHHS/DMA/vendor staff. It would be helpful if such requests were immediately dismissed by OAH.

- **Operational Start-Up Issues/Concerns with the Clearinghouse**

As with any new program, logistical issues with the day-to-day operation, organization, and accessibility arose. These logistical issues occurred because initially the clearinghouse ran on a manual process rather than a systematic process. The concerns encountered continue to be addressed on a case-by-case basis and in the technical design, development, and implementation of the electronic system.

V. RECOMMENDATIONS

- Given the increased volume of appeals, assess OAH and DHHS/DMA current staffing needs to insure that appropriate numbers of staff at all levels of the hearing process are in place. Without adequate infrastructure to support the appeal process, including staffing, DHHS/DMA may experience a delay in fully complying with the requirements of S.L. 2008-118, s. 3.13 (efficiency, effectiveness, and cost effectiveness).
- Develop policies regarding the following:
 - how hearings requested by providers on behalf of recipients and applicants without their knowledge are to be handled; and
 - availability and utilization of interpretative and translation services.
- Provide consistent information and implementation of the hearing process regarding the option of mediation to all recipients, applicants, and providers in accordance with S.L. 2008-118, s. 3.13 and Session Law 2009-526, s. 2.(a) and (b) effective August 26, 2009. Revision of the general information on the OAH and DHHS/DMA websites is needed to clearly reflect the mandates of these laws.
- Develop electronic mediation and hearing forms that contain the petitioner's name, recipient's name, OAH case number, Medicaid identification number, date of notice, and appealed service. This information is located on the appeal request form sent to OAH by the recipient to request the appeal.
- Upgrade technology at the participating mediation centers throughout the state to ensure accurate, timely processing of mediation schedules and mediation results to OAH and DHHS/DMA via the document management system. It is recommended that all participating centers have the capacity to transmit mediation documents electronically to OAH **and DHHS/DMA via the** document management system within 24 hours of scheduling and completing the mediation. This will afford OAH, DOJ, and DHHS/DMA the opportunity to allocate human and fiscal resources more appropriately and timely.
- Label the audiotape or diskette of the hearing with the recipient's and petitioner's first and last name, OAH case number, Medicaid identification number, date of the notice, service under appeal, date of hearing, and number of tapes (i.e., 1 of 1 or 1 of 2, etc.). Each audiotape or diskette should contain only the hearing for a specific recipient/petitioner.
- Transmit the audiotape or diskette of the hearing to DHHS/DMA within 20 days of the conclusion of the hearing rather than within five days of conclusion of the hearing. *(This may require a legislative change).*

- Develop a scheduling system for hearings that allows adequate time for DOJ, DHHS/DMA and its vendors to prepare for hearing. On several occasions, DOJ, DHHS/DMA and its vendors have had no more than one or two days notice to prepare for hearing.
- Explore the following:
 - obtaining hearing sites that have telephone and/or videoconferencing capability;
 - securing interpretation and translation services for hearings and mediations; and
 - developing and coordinating the availability of mediation through the OAH hubs rather than utilizing 23 centers.
- Develop a systematic plan to complete due process training for all stakeholders, including providers and recipients that take into consideration the fiscal restraints currently in place.
- Monitor the hearing process and analyze data to assess progress towards objectives, cost effectiveness, and efficiency of the revised process.

EFFICIENCY AND EFFECTIVENESS OF THE APPEAL PROCESS

Table I – Efficiency

Appeal Request Received		Formal Hearing Completed	Formal Hearing Decision Transferred to Medicaid / DHHS	Appeal Closed - Final Decision Issued	Federal Deadline	
Mediation Process	25 Days					
Formal Hearing Process					20 Days	
Overall Timeline	30 Days					
	Day 0 - 25	Day 0 - 45		Day 45 - 65	Day 65 - 85	Day 0 - 90
Days Allowed in Timeline	25	45		20	20	90
Actual Length of Time to Complete Hearing Requirement	25	176	68	11	16	112
% In Compliance	61%	0%	33%	91%	95%	54%
% Not In Compliance	39%	100%	67%	9%	5%	46%
Number In Compliance	485	15	2	10	35	7
Number Not In Compliance	309	16	4	1	2	6
Total	794	31	6	11 *	37 **	13
All Formal Hearing Requests Received on or after:	March 01, 2009	October 1, 2008 - February 28, 2009	March 1, 2009 - July 31, 2009	January 01, 2009	January 01, 2009	January 01, 2009

* Data available beginning March 2009

**** Data available beginning January 2009**

Table II – Efficiency Focused on the Period April 01-July 31, 2009

Average Number of Days to Complete Fair Hearing Before OAH December, 2006 – September, 2008 (from filing date to either dismissal or decision)	Average Number of Days to Complete Fair Hearing Before OAH April 01 – July 31, 2009 (from filing date to either dismissal or decision)
151 days	81 days

Table III - Effectiveness

Formal Hearing Requests Received from	Mediations			Formal Hearings			Final Agency Decisions		
	March 1, 2009 - July 31, 2009			October 1, 2008 - July 31, 2009			October 1, 2008 - July 31, 2009		
	Upheld Initial Agency Decision	Referred to Formal Hearing	Modified Initial Agency Decision	Upheld Initial Agency Decision	Overtured Initial Agency Decision	Modified Initial Agency Decision	Upheld Initial Agency Decision	Overtured Initial Agency Decision	Modified Initial Agency Decision
Number of Decisions	716	77	1	20	17	0	36	1	0
Percentage of Decisions	90%	10%	0.1%	54%	46%	0%	97%	3%	0%
Actual Length of Time to Complete Hearing Requirement	24	26	14	140	180	0	16	15	0
% In Compliance	62%	53%	100%	10%	0%	0%	94%	100%	0%
% Not In Compliance	38%	47%	0%	90%	100%	0%	6%	0%	0%
Number In Compliance	447	41	1	2	0	0	34	1	0
Number Not In Compliance	269	36	0	18	17	0	2	0	0
Total	716	77	1	20	17	0	36	1	0

Table IV – Effectiveness Focused on the Period April-July 2009 (Summary Data as Reported to DHHS)

	Monthly Average
Number of appeals filed	360
Number of appeals that went to mediation	336
Number of appeals resolved at mediation	305
Number of appeals forwarded to OAH for formal hearing	31
Number of formal hearings held at OAH	10
Number of DHHS/Medicaid decisions overturned	4
Number of DHHS/Medicaid decisions upheld	6

Table V – Effectiveness Focused on the Period April-July 2009 (Full Compilation of Summary Hearing Data Found in Table IV as Reported to DHHS)

	Apr-09	May-09	Jun-09	Jul-09
Number of Hearings Requested as Reported to DHHS via Document Management System	488	348	345	258
Average Number Hearings Requested/Month	377.25			
Number of Mediation Results Reported to DHHS				
Modified Initial Decision	2	Modified Initial Decision 1		Modified Initial Decision 1
Petitioner did not Participate	14	Petitioner did not Participate 29	Petitioner did not Participate 14	Petitioner did not Participate 6
Petitioner Unavailable	32	Petitioner Unavailable 8		
Referred to Formal Hearing	27	Referred to Formal Hearing 30	Referred to Formal Hearing 37	Referred to Formal Hearing 30
Voluntary Dismissal	222	Voluntary Dismissal 312	Voluntary Dismissal 307	Voluntary Dismissal 270
Resolved at Mediation	270	350	321	277
To OAH for Formal Hearing	27	30	37	30
Average Resolved at Mediation/Month	304.5			
Average to OAH for Formal Hearing	31			
OAH Decisions Reported to DHHS				

Apr-09		May-09		Jun-09		Jul-09	
Overtured Initial Decision	1	Overtured Initial Decision	3	Overtured Initial Decision	2	Overtured Initial Decision	10
Upheld Initial Decision	4	Upheld Initial Decision	7	Upheld Initial Decision	4	Upheld Initial Decision	8
	5		10		6		18
Average Overtured/Month	4						
Average Upheld/Month	5.75						

Table VI – Cost Effectiveness (projected reductions in MOS days and savings for the Period 10/01/08-07/31/09)

	Cumulative Totals
Decrease in Maintenance of Service Days (Provided During Pendency of an Appeal for All Service Types)	165,200 days*
Cost Savings for All Service Types	\$10.3 M**

Supporting Data for Projected Savings in Table VI above

***MOS DAYS CALCULATION**

days required by OAH to make a decision in a Medicaid contested case prior to October 01, 2008: 151days

days required by OAH to make a decision in a Medicaid contested case beginning October 01, 2008: 81 days

70 days (difference between two timeframes) x 2,360 appeals (# appeals 10/01/08-07/31/09) = 165,200 MOS days saved

****PROJECTED SAVINGS 10/01/08-07/31/09**

Service Type	Cost/Day/Appeal	# of Dismissals	MOS Cost under DHHS	MOS Cost under OAH	Savings
CSS	\$42.09	1849	\$11,764,212.36	\$6,276,000.01	\$5,488,212.35
CAP/MR/DD Services	\$130.14	134	\$2,636,061.37	\$1,406,292.29	\$1,229,769.08
Community Support Team	\$31.20	168	\$792,349.92	\$422,704.72	\$369,645.20
Residential - Level IV	\$342.15	4	\$206,882.40	\$110,368.12	\$96,514.29
Residential - Level III (≤ 4 beds)	\$252.38	92	\$3,509,859.90	\$1,872,448.41	\$1,637,411.49
Residential - Level II	\$95.40	40	\$576,840.02	\$307,733.99	\$269,106.03
Psychosocial Rehab	\$17.33	14	\$36,678.35	\$19,567.26	\$17,111.10
Intensive In-Home Services	\$258.20	26	\$1,014,790.99	\$541,373.11	\$473,417.88
PRTF	\$437.04	4	\$264,258.03	\$140,977.00	\$123,281.03
Targeted Case Management (MH)	\$6.08	3	\$2,757.70	\$1,471.19	\$1,286.52
CAP/C Services	\$136.69	1	\$20,663.00	\$11,023.35	\$9,639.65
CAP/DA Services	\$66.92	1	\$10,116.12	\$5,396.77	\$4,719.35
Skilled Nursing Facility	\$148.00	8	\$178,977.62	\$95,481.40	\$83,496.21
ACH-SCU/Alzheimers (31+ beds)	\$51.25	2	\$15,494.26	\$8,265.92	\$7,228.35
ICF/MR	\$326.72	3	\$148,165.01	\$79,043.42	\$69,121.59
Private Duty Nursing (12 hrs)	\$467.52	7	\$494,703.81	\$263,915.76	\$230,788.04
Private Duty Nursing (16 hrs)	\$623.36	1	\$94,229.30	\$50,269.67	\$43,959.63
Private Duty Nursing (24 hrs)	\$935.04	2	\$282,687.89	\$150,809.01	\$131,878.88
Personal Care Services Plus	\$39.68	1	\$5,998.17	\$3,199.92	\$2,798.25
Totals		2,360	\$22,055,726.23	\$11,766,341.32	\$10,289,384.91

MEDICAID RECIPIENT FAIR HEARING TIMELINE

