STATE OF IOWA DEPARTMENT OF
Health AND Human
SERVICES

Iowa Medicaid
Review of MCO State Fair Hearing Appeals

July 1, 2022 – December 31, 2022

IOWA HHS

Executive Summary

The purpose of this report is to provide analysis of Medicaid Managed Care Organization (MCO) member appeals from July 1, 2022, to December 31, 2022. This includes appeals that have been withdrawn, dismissed, or overturned.

In this report, the Iowa Department of Health & Human Services (HHS) analyzed MCO appeals that were withdrawn by a Medicaid member or authorized representative, dismissed by the MCO, or overturned by an administrative law judge (ALJ).

An appeal may be initiated by a Medicaid member or their representative(s), following a decision by the MCO to deny, reduce, or limit items or services. Following the adverse action by the MCO, the member receives a letter explaining the reason for the denial, reduction, or limitation of benefits. The member has 60 days from the date of the letter to initiate the appeal process.

The initial appeal process includes an internal first level review between the member and the MCO, during which members have the right to appeal the adverse action. The MCO has 30 days to complete the first level review and report, in writing, the findings of the internal review to the member. If the member does not agree with the MCO's decision, the member can then file an appeal with HHS through the state fair hearing (SFH) appeals process within 120 days of the MCO's decision. The SFH allows the member the opportunity to present their case to an ALJ for review. SFH appeals are legal proceedings like a non-jury trial in a court of law in which an impartial ALJ presides over the hearing.

The Department's Quality Improvement Organization (QIO) reviewed SFH appeals filed during July 1, 2022, to December 31, 2022, to determine if the MCO's initial decision to deny, reduce, or limit the service request was consistent or inconsistent with Iowa Administrative Code (IAC) and/or state and federal criteria. The QIO clinical review team consisted of physicians, nurses, licensed social workers, and subject matter experts with experience in Medicaid services and supports.

During the reporting period, 509 MCO appeal requests were submitted for review. Of these, 52 were dismissed by the MCO, 13 were withdrawn by the member, and 10 were overturned by an ALJ and are the primary focus of this report.

During the reporting period, the MCOs serving Iowa Medicaid included Amerigroup Iowa, Inc. (AGP) and Iowa Total Care (ITC). (Managed care started in Iowa on April 1, 2016.) The table on the following page outlines the membership of the two MCOs during this reporting period. One MCO may receive more appeals than the other MCO because it serves more members or more members in a specific population. The table on the next page also includes the number of long-term services and supports (LTSS) members for each MCO. While any member can appeal a decision by an MCO to deny or limit items or services, LTSS members tend to receive more services through their plan of care.

MCO	Number of Members	Number of LTSS Members
AGP	453,029	20,499
ITC	366,823	15,328

KEY FINDINGS

For this reporting period, there were 8,579,890 unique, appealable services (all services that were either approved or denied) provided to members by the MCOs. Members appealed 509, or 0.0059 percent, of the total appealable services. Moreover, of the total appealable services, only 0.00012 percent resulted in an overturned decision by an ALJ.

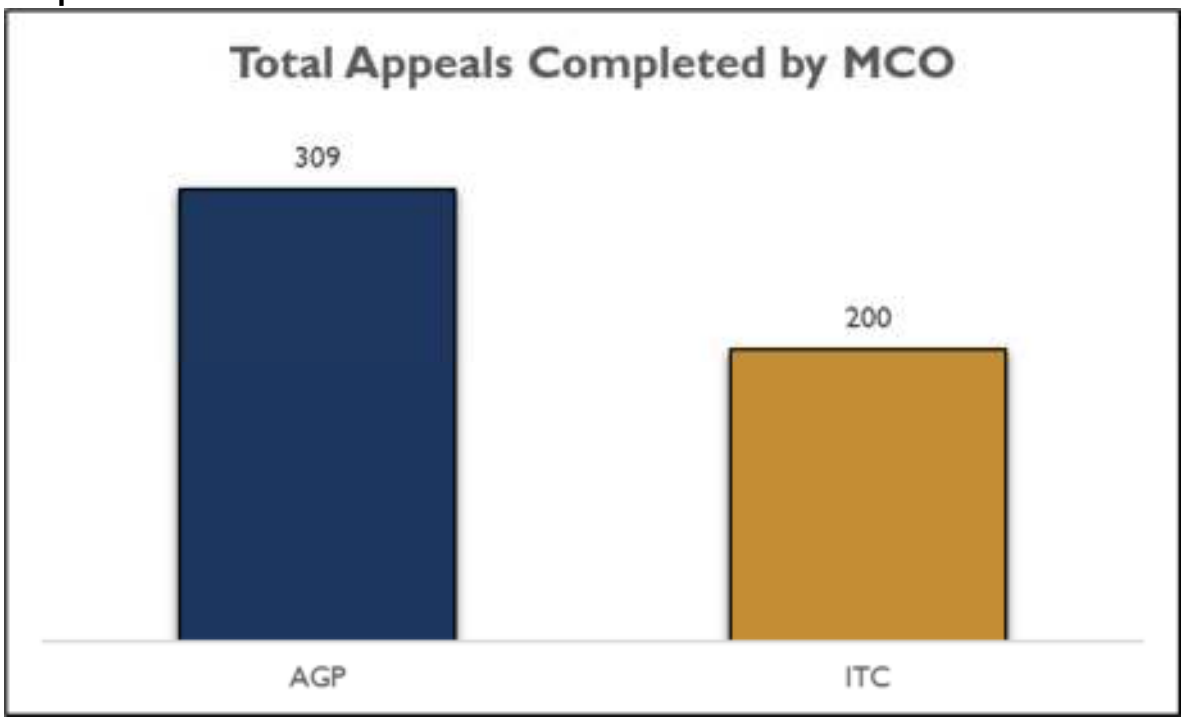
Table 1 and Graph 1 depict the number and percentage distribution of appeal requests completed, categorized by MCO. Of the total requests filed, 61 percent involved AGP enrolled members and 39 percent involved ITC members.

Table 1

MCO	Number of Appeals	Percent of Appeals
AGP	309	61%
ITC	200	39%
Total	509	100%

Number and percentage of appeal requests completed by MCO

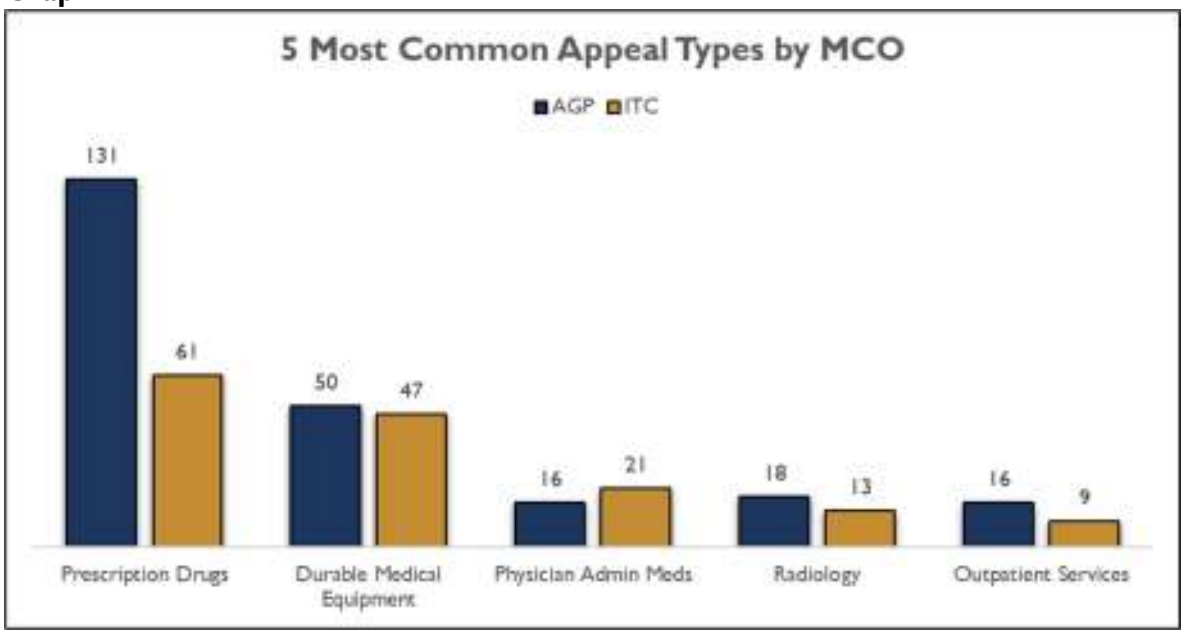
Graph 1



Total number of appeal requests completed

Graph 2 depicts the five most common appeal types by MCO

Graph 2



Top five appeal types by MCO – all outcomes

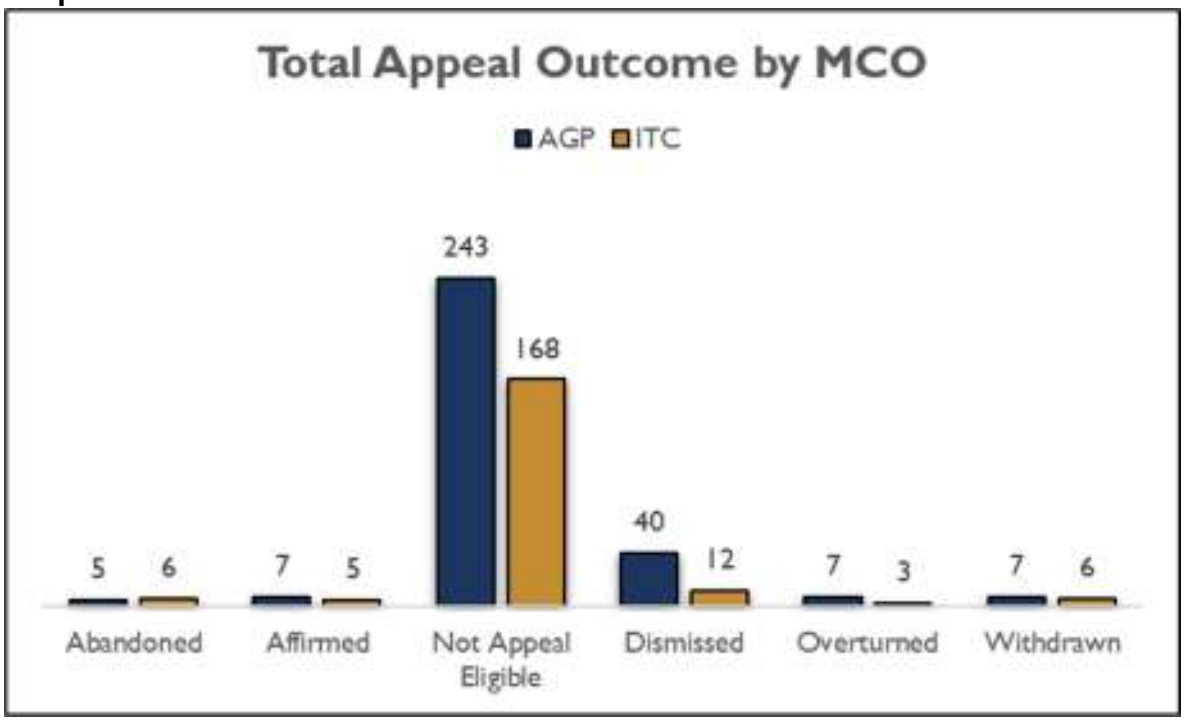
Requests for appeals during the reporting period were categorized by the type of action* taken. These actions were:

- Abandoned by the appellant. This means the member did not attend the hearing.
- Affirmed by the ALJ after the appeal hearing
- Dismissed by the MCO prior to or during the appeal hearing.
- Overturned by the ALJ after the appeal hearing.
- Withdrawn by the member or representative prior to the appeal hearing.
- Case was determined to be not appeal eligible.

*See glossary

Graph 3 shows the breakdown of the total appeals filed for the period of July 1, 2022, to December 31, 2022.

Graph 3



Breakdown of total appeal decisions by action

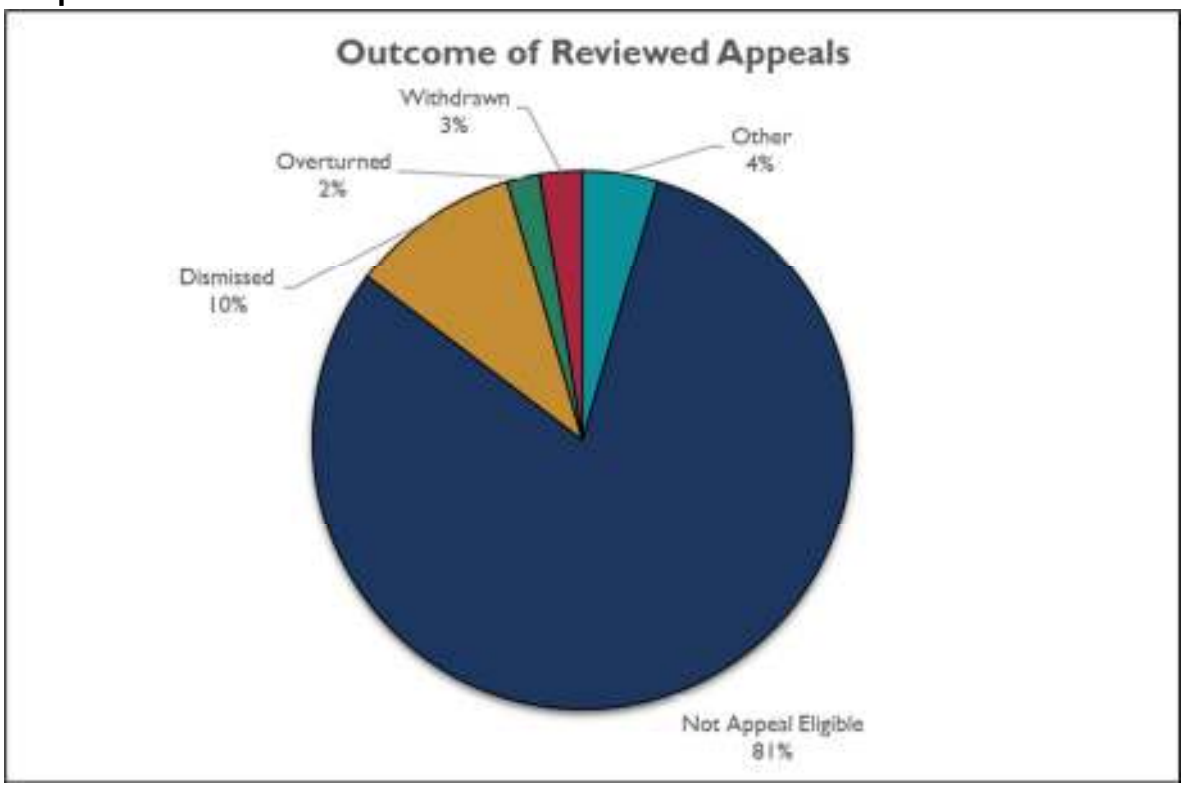
Table 2 and Graph 4 show the breakdown of withdrawn, dismissed, overturned, and not appeal eligible categories. As shown, of the total appeal requests completed, only two percent resulted in overturned decisions by an ALJ, and 81 percent of the requests were determined not appeal eligible.

Table 2

Action	Appeals Filed	
Withdrawn	13	3%
Dismissed	52	10%
Overturned	10	2%
Not Appeal Eligible	411	81%
Other	23	5%
Total	509	100%

Breakdown of reviewed appeal decisions by action ("Other" is all Abandoned (11) and Affirmed (12) appeals)

Graph 4



Breakdown of appeal decisions by reviewed appeals; percentages are rounded up (Other = Abandoned & Affirmed)

APPEALS WITHDRAWN

An appeal request is withdrawn when the member has decided they no longer wish to proceed with the appeals process.

Of the total appeal requests received, 13 were withdrawn. AGP had the highest percentage of appeals withdrawn at 54 percent compared to the total number of appeals filed.

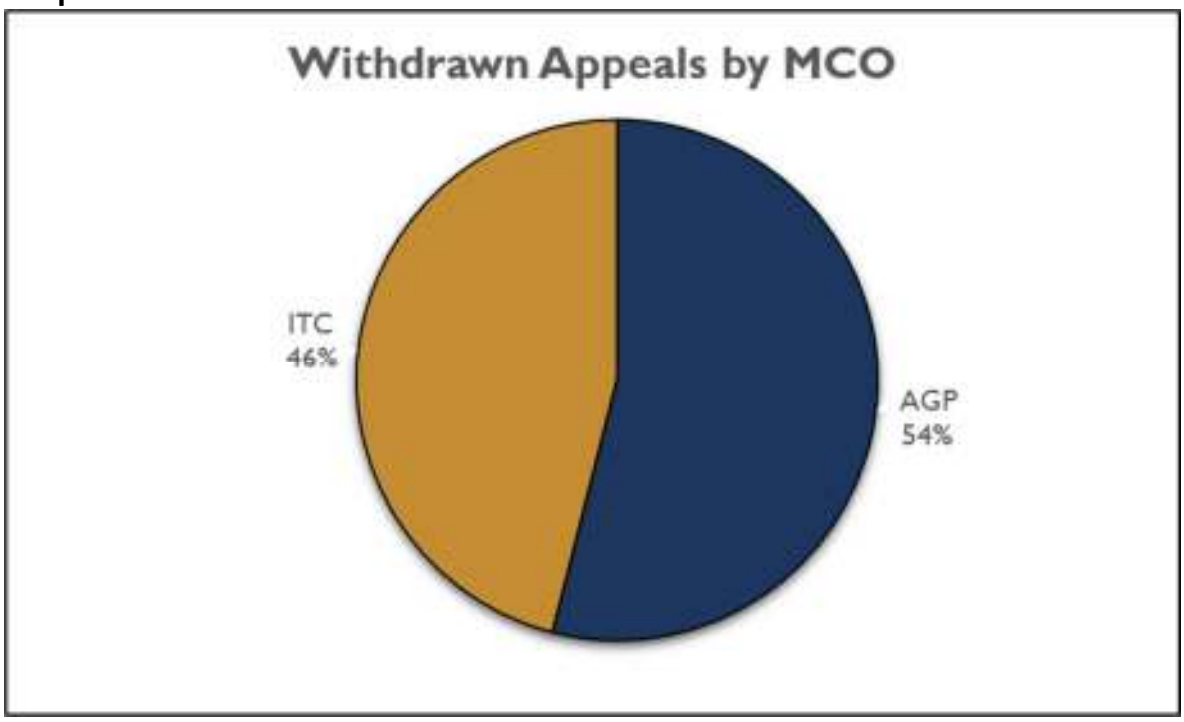
Table 3 and Graph 5 display the appeal volume breakdown for withdrawn appeal requests. Of the 13 appeal requests withdrawn, 54 percent were AGP member appeal requests and 46 percent were ITC. In total, nearly three percent of the 509 appeals filed were withdrawn.

Table 3

MCO	Number of Withdrawals	Percent of Withdrawals	Percent of Total Appeals
AGP	7	54%	1.4%
ITC	6	46%	1.2%
Total	13	100%	2.6%

Breakdown of appeal decisions by action

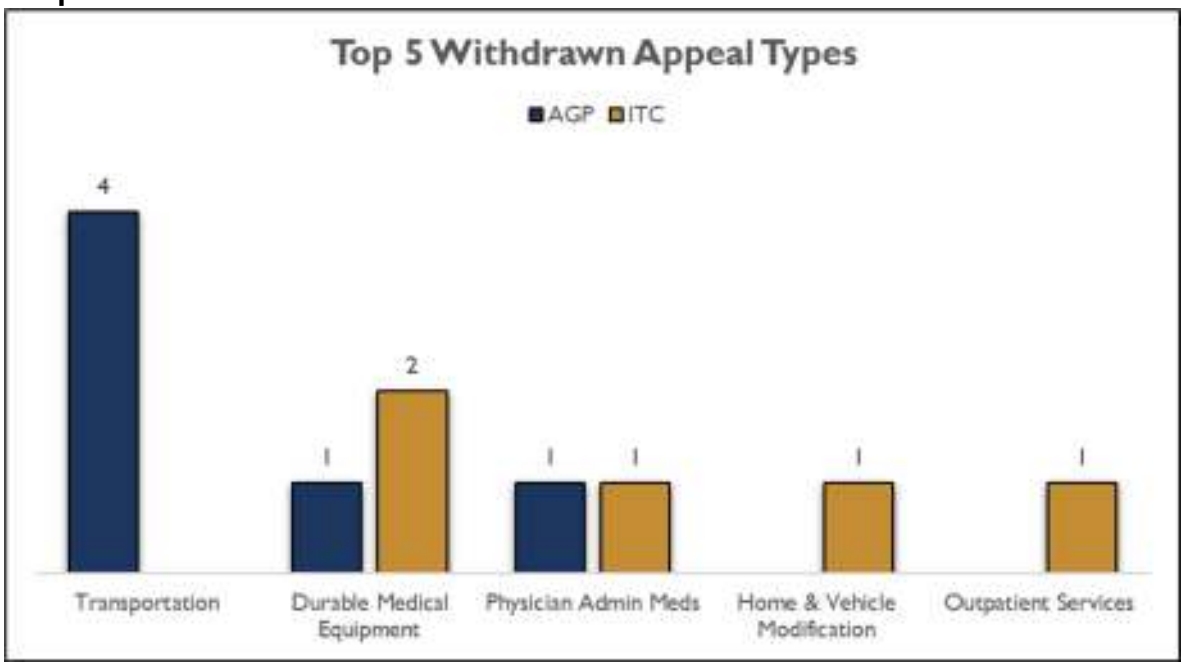
Graph 5



Breakdown of withdrawn appeals by MCO

Graph 6 shows the five most common appeal types that were withdrawn

Graph 6



Five most common withdrawn appeal types

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APPEALS DISMISSED

An appeal is dismissed when the MCO reverses their original decision to deny, reduce, or limit a service. This can be done before or during the appeal hearing.

Table 4 and Graph 7 show the appeal volume breakdown for appeal requests that were dismissed. Of the 52 dismissed appeals, 77 percent were AGP member appeal requests and 23 percent were ITC member appeal requests.

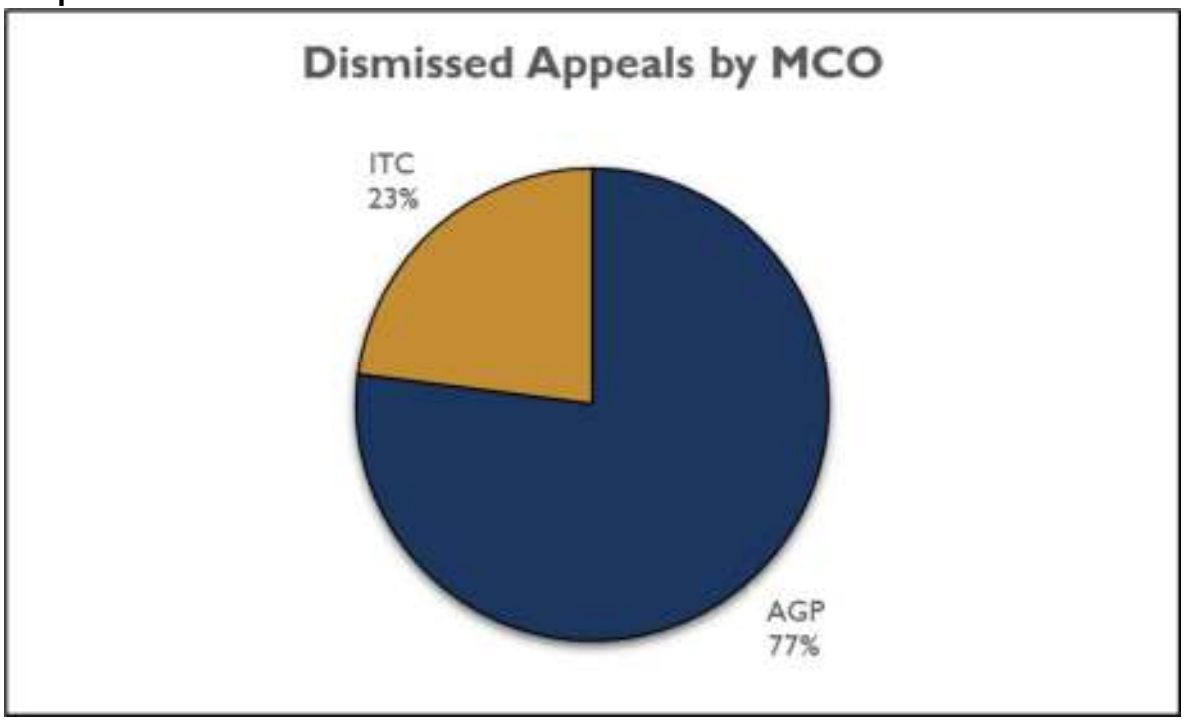
Further breakdown indicates the percentage of dismissed appeals as compared to the total number of appeals filed. AGP dismissed eight percent and ITC dismissed two percent. In total, ten percent of the 509 appeals filed were dismissed.

Table 4

MCO	Number of Dismissals	Percent of Dismissals	Percent of Total Appeals
AGP	40	77%	8%
ITC	12	23%	2%
Total	52	100%	10%

Breakdown of dismissed appeals by MCO

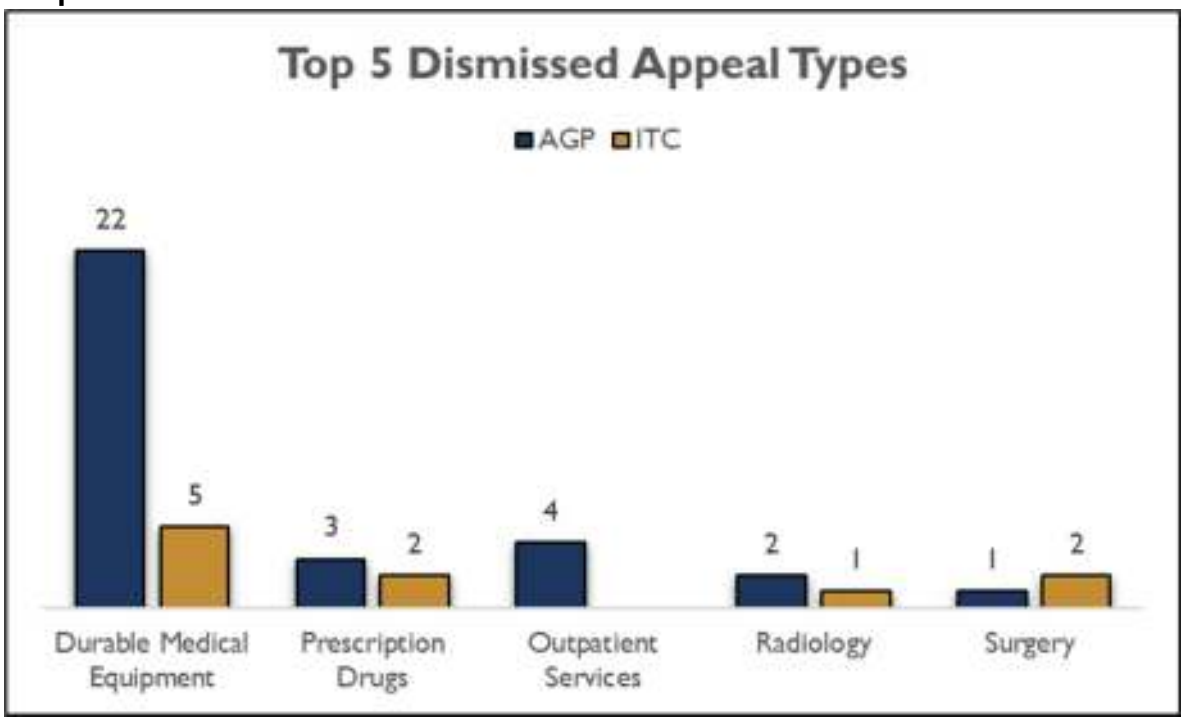
Graph 7



Breakdown of dismissed appeals by MCO

Graph 8 shows the five most common appeal types that were dismissed.

Graph 8



Five most common dismissed appeal types

APPEALS OVERTURNED

An appeal is overturned when an ALJ, upon hearing the appeal, determines the original denial of the requested item or service was not consistent with state and/or federal criteria.

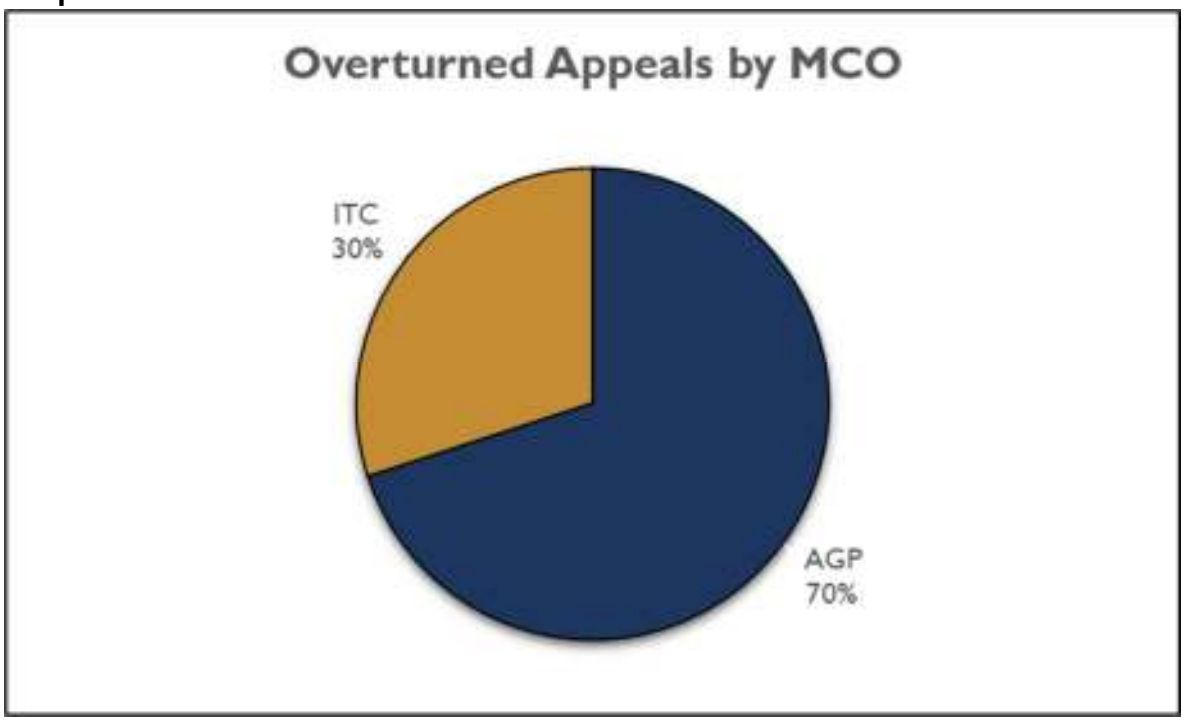
Table 5 and Graph 9 show that, of the 10 overturned appeals, AGP had the highest number at 70 percent of the overturned appeals. Further breakdown shows that of the 509 appeals filed, only two percent were overturned.

Table 5

MCO	Number of Overturned	Percent of Overturned	Percent of Total Appeals
AGP	7	70%	1.4%
ITC	3	30%	0.6%
Total	10	100%	2%

Number of overturned appeals by MCO

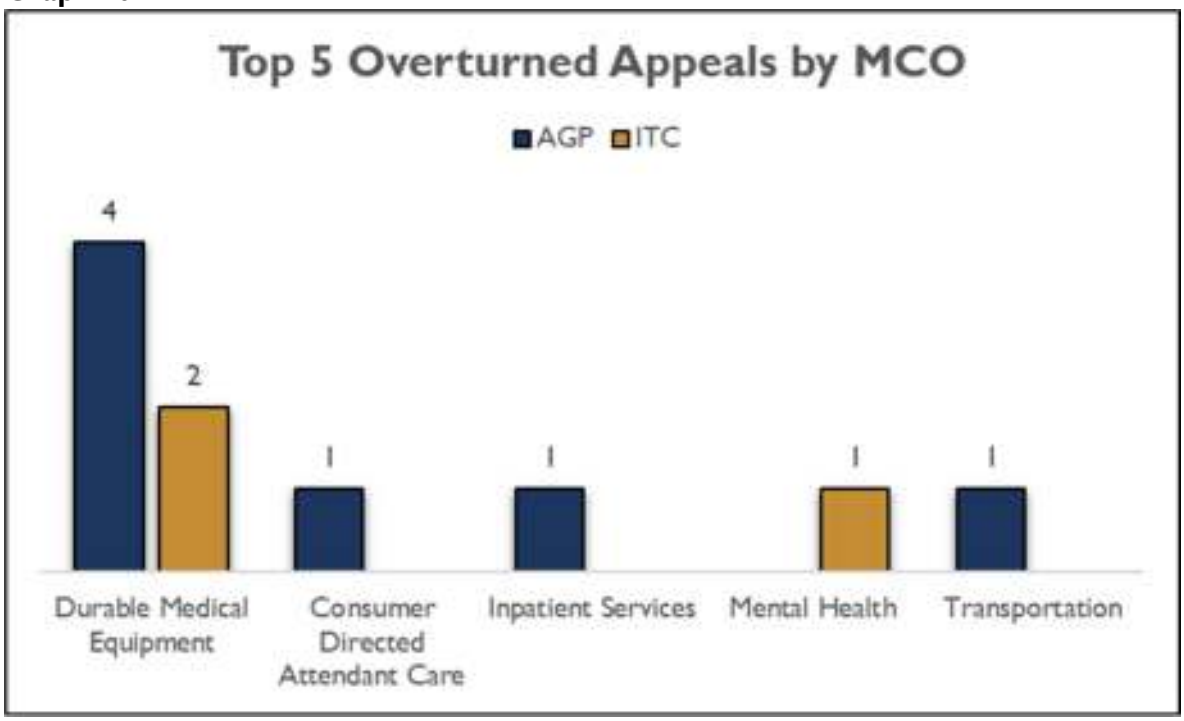
Graph 9



Breakdown of overturned appeals by MCO

Graph 10 shows the five most common appeal types that were overturned.

Graph 10



Five most common overturned appeal types

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NOT APPEAL ELIGIBLE

An appeal is deemed ineligible for the State Fair Hearing Appeal process if:

- The internal MCO first level review process has not been completed, OR
- If the appeal is not filed within the expected time frame, OR
- There is an absence of an adverse Notice of Decision to the member or legal representative(s), OR
- A provider is attempting to appeal a claim dispute

There were 411 appeals filed during the reporting period that were determined to be ineligible for a State Fair Hearing. While the clinical review team did not review these appeals, there are some data points that can be identified.

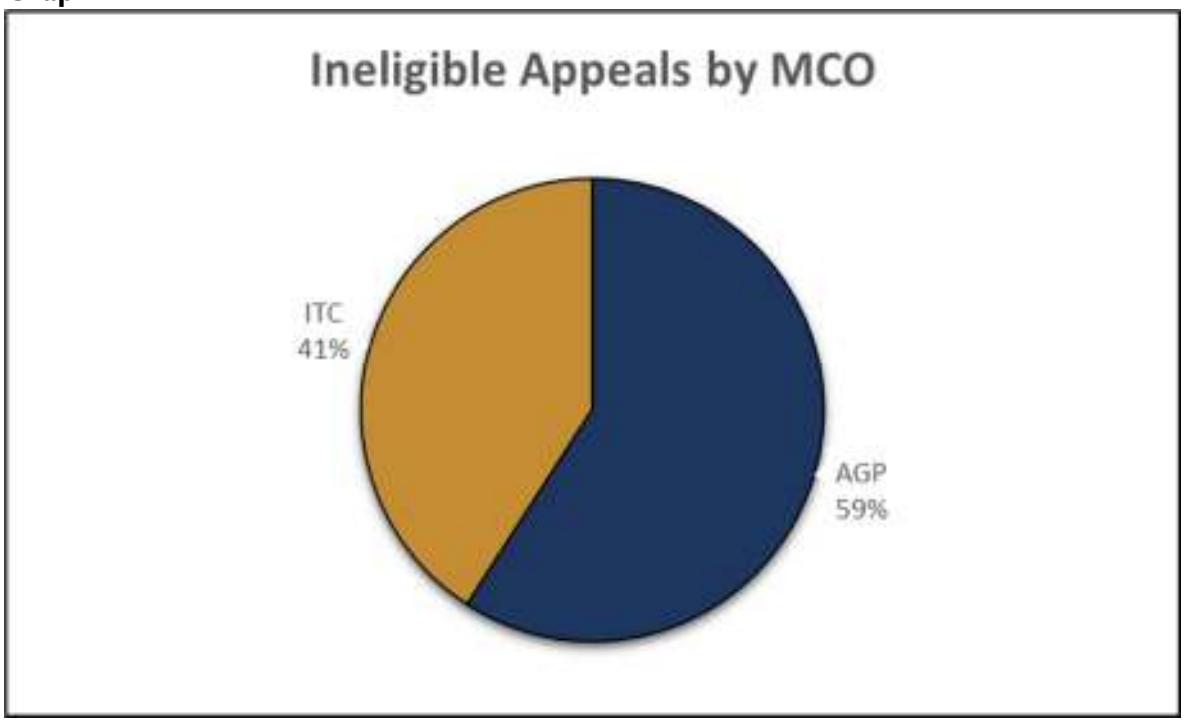
Table 6 and Graph 11 show the distribution of ineligible appeals by MCO. Of the 411 ineligible appeals, AGP had 59 percent and ITC had 41 percent. Of the total 509 appeals filed, AGP had 48 percent of their appeals deemed ineligible, and ITC had 33 percent. In total, 81 percent of the MCO appeals filed for the reporting period were determined to be not appeal eligible.

Table 6

MCO	Number of Ineligible Appeals	Percent of Ineligible Appeals	Percent of Total Appeals
AGP	243	59%	48%
ITC	168	41%	33%
Total	411	100%	81%

Number of appeals determined to be ineligible

Graph 11



Breakdown of ineligible appeals by MCO

Graph 12 shows the reason these appeals were deemed ineligible.

Graph 12

Reasons appeals were deemed ineligible

Clinical Review

The clinical review team reviewed each dismissed, withdrawn, or overturned appeal to determine whether the MCO's original decision to deny, reduce, or limit services was based off state and federal criteria as well as IAC.

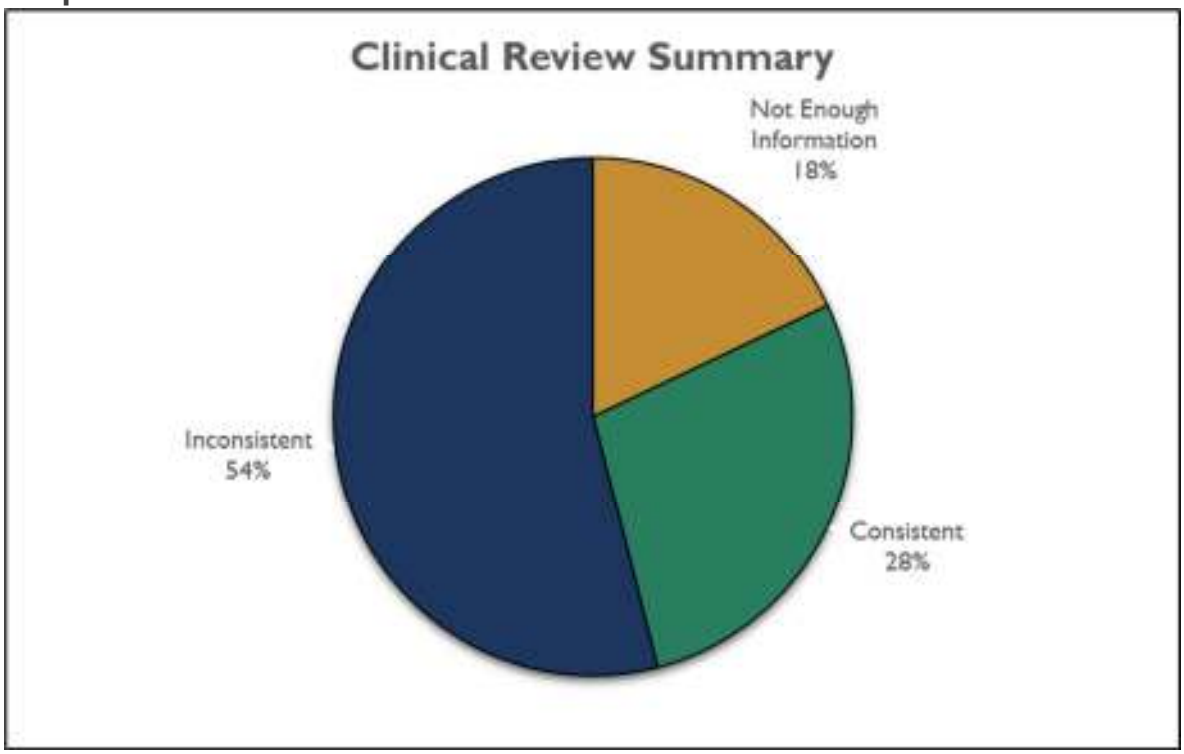
Table 7 and Graph 13 show the breakdown, by MCO, whether the original denial was consistent, inconsistent, or if there was not enough information to complete an objective review. The findings indicate that of the 74 appeals reviewed, 28 percent of the time, the MCOs were consistent with state and federal criteria; 54 percent of the time, the MCOs were inconsistent with state and federal criteria; and 18 percent of the time there was not enough information to perform an objective review.

Table 7

MCO	Consistent		Not Consistent		Not Enough Information		Total Reviewed Appeals
AGP	15	20%	29	39%	8	11%	52
ITC	6	8%	11	15%	5	7%	22
Total	21	28%	40	54%	13	18%	74

Percentages are calculated using the total appeals reviewed (74: 13 Withdrawn, 52 Dismissed, 10 Overturned)

Graph 13



Clinical review outcome

Progress Report

Listed below is an update on the improvement opportunities identified in the previous report (January 1, 2022 – June 30, 2022, Executive Summary):

Action Item: The Department will collaborate with the MCOs to target the top areas of overturned appeals to identify the need for alignment, policy clarifications, or education.

- The Department began a real time process for evaluating overturned appeals monthly. An internal report has been produced each month beginning in calendar year 2022 onwards.
- The Department continues to meet with each MCO on a monthly basis to review monthly appeals information and discuss potential process improvements.

Action Item: The Department will collaborate with the MCOs to identify ways to support members and providers in their understanding of the steps in the appeals process and how to access a first level appeal.

- The Department is reviewing the MCOs' first level appeal processes with the goal of identifying barriers and opportunities to ensure that members and providers can take full advantage of this process and ensure state fair hearing eligibility.

Action Item: The Department will collaborate with the MCOs around the clarification, alignment to criteria, and interpretation of Iowa Administrative Code on services frequently overturned in appeal. DME continues to be a focus as it was identified as an outlier for both dismissed and overturned appeals.

- A prior authorization work group was formed with the MCOs to assess where improvements or alignment can be made.

- Entering its second phase, this has moved to a more focused prior authorization work group which began meeting on a monthly basis beginning in the latter part of 2022.
- The Department continues to work with the MCO medical directors to create more alignment in policies to reduce unnecessary denials and provider/member abrasion.

Analysis

This analysis identified several opportunities for improvement:

- The MCOs should seek additional information from providers, when necessary, prior to making a decision on a member's request for service. This information may provide additional insight into the reasons for a member's request for services that allow for a more informed, defendable decision.
- DME denials, specifically wheelchair denials, are consistently being overturned for a variety of reasons. A criterion is in process for wheelchairs that will better define "customized".

Conclusion/Next Steps

This analysis identified opportunities for improvement. The following action steps will be completed by the end of State Fiscal Year 2024:

- The Department will collaborate with the MCOs to determine ways that more information can be obtained prior to a determination of coverage being made in order to decrease dismissed and overturned appeals.

The benefit of actively addressing these opportunities will create a timelier response to members' needs and ultimately a reduction for decisions resulting in the need for a State Fair Hearing.

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Glossary of Terms

Term	Definition
Adverse Decision	A decision that results in a denial, reduction or limitation of services
Appealable Services	All services that were either approved or denied.
AGP	Amerigroup Iowa, Inc.
ALJ	Administrative Law Judge
CCO	Consumer Choice Option
CDAC	Consumer Directed Attendant Care
Dismissed	The MCO has decided to grant the previously denied item or service and an appeal hearing is no longer necessary
DME	Durable Medical Equipment
FFS	Fee-for-Service
First level Review	The first step in the member appeal process. The member appeals to their MCO.
HAB	Habilitation
HVM	Home & Vehicle Modification
IAC	Iowa Administrative Code
LTSS	Long Term Services and Supports
MCO	Managed Care Organization
Not Appeal Eligible	An appeal is deemed ineligible for the State Fair Hearing Appeal process if: 1. The Internal MCO first level review process has not been completed, OR 2. If the appeal is not filed within the expected time frame, OR 3. The absence of an adverse Notice of Decision to the member or legal representative(s)
Overturned	The appeal was heard before an ALJ, and it was determined that the MCO incorrectly denied a request for an item or service.
SFH	State Fair Hearing
Withdrawn	An appeal is withdrawn when the member or their authorized representative decides they no longer wish to proceed with the appeal.