Senate File 211 - Introduced

SENATE FILE 211
BY MATHIS and RAGAN

A BILL FOR

1 An Act relating to a Medicaid managed care external review
2 process for Medicaid provider appeals.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. MEDICAID MANAGED CARE —— EXTERNAL REVIEW OF
2 PROVIDER APPEALS.
3 1. a. A Medicaid managed care organization under contract
4 with the state shall include in any written response to
5 a Medicaid provider under contract with the managed care
6 organization that reflects a final adverse determination of the
7 managed care organization's internal appeal process relative to
8 an appeal filed by the Medicaid provider, all of the following:
9 (1) A statement that the Medicaid provider's internal
10 appeal rights within the managed care organization have been
11 exhausted.
12 (2) A statement that the Medicaid provider is entitled to
13 an external independent third-party review pursuant to this
14 section.
15 (3) The requirements for requesting an external independent
16 third-party review.
17 b. If a managed care organization's written response does
18 not comply with the requirements of paragraph "a", the managed
19 care organization shall pay to the affected Medicaid provider a
20 penalty not to exceed one thousand dollars.
21 2. a. A Medicaid provider who has been denied the provision
22 of a service to a Medicaid member or a claim for reimbursement
23 for a service rendered to a Medicaid member, and who has
24 exhausted the internal appeals process of a managed care
25 organization, shall be entitled to an external independent
26 third-party review of the managed care organization's final
27 adverse determination.
28 b. To request an external independent third-party review of
29 a final adverse determination by a managed care organization,
30 an aggrieved Medicaid provider shall submit a written request
31 for such review to the managed care organization within sixty
32 calendar days of receiving the final adverse determination.
33 c. A Medicaid provider's request for such review shall
34 include all of the following:
35 (1) Identification of each specific issue and dispute

1 directly related to the final adverse determination issued by
2 the managed care organization.
3 (2) A statement of the basis upon which the Medicaid
4 provider believes the managed care organization's determination
5 to be erroneous.
6 (3) The Medicaid provider's designated contact information,
7 including name, mailing address, phone number, fax number, and
8 email address.
9 3. a. Within five business days of receiving a Medicaid
10 provider's request for review pursuant to this subsection, the
11 managed care organization shall do all of the following:
12 (1) Confirm to the Medicaid provider's designated contact,
13 in writing, that the managed care organization has received the
14 request for review.
15 (2) Notify the department of the Medicaid provider's
16 request for review.
17 (3) Notify the affected Medicaid member of the Medicaid
18 provider's request for review, if the review is related to the
19 denial of a service.
20 b. If the managed care organization fails to satisfy the
21 requirements of this subsection 3, the Medicaid provider shall
22 automatically prevail in the review.
23 4. a. Within fifteen calendar days of receiving a Medicaid
24 provider's request for external independent third-party review,
25 the managed care organization shall do all of the following:
26 (1) Submit to the department all documentation submitted
27 by the Medicaid provider in the course of the managed care
28 organization's internal appeal process.
29 (2) Provide the managed care organization's designated
30 contact information, including name, mailing address, phone
31 number, fax number, and email address.
32 b. If a managed care organization fails to satisfy the
33 requirements of this subsection 4, the Medicaid provider shall
34 automatically prevail in the review.
35 5. An external independent third-party review shall

1 automatically extend the deadline to file an appeal for a
2 contested case hearing under chapter 17A, pending the outcome
3 of the external independent third-party review, until thirty
4 calendar days following receipt of the review decision by the
5 Medicaid provider.
6 6. Upon receiving notification of a request for external
7 independent third-party review, the department shall do all of
8 the following:
9 a. Assign the review to an external independent third-party
10 reviewer.
11 b. Notify the managed care organization of the identity of
12 the external independent third-party reviewer.
13 c. Notify the Medicaid provider's designated contact of the
14 identity of the external independent third-party reviewer.
15 7. The department shall deny a request for an external
16 independent third-party review if the requesting Medicaid
17 provider fails to exhaust the managed care organization's
18 internal appeals process or fails to submit a timely request
19 for an external independent third-party review pursuant to this
20 subsection.
21 8. a. Multiple appeals through the external independent
22 third-party review process regarding the same Medicaid
23 member, a common question of fact, or interpretation of common
24 applicable regulations or reimbursement requirements may
25 be combined and determined in one action upon request of a
26 party in accordance with rules and regulations adopted by the
27 department.
28 b. The Medicaid provider that initiated a request for
29 an external independent third-party review, or one or more
30 other Medicaid providers, may add claims to such an existing
31 external independent third-party review following exhaustion
32 of any applicable managed care organization internal appeals
33 process, if the claims involve a common question of fact
34 or interpretation of common applicable regulations or
35 reimbursement requirements.

1 9. Documentation reviewed by the external independent
2 third-party reviewer shall be limited to documentation
3 submitted pursuant to subsection 4.
4 10. An external independent third-party reviewer shall do
5 all of the following:
6 a. Conduct an external independent third-party review
7 of any claim submitted to the reviewer pursuant to this
8 subsection.
9 b. Within thirty calendar days from receiving the request
10 for review from the department and the documentation submitted
11 pursuant to subsection 4, issue the reviewer's final decision
12 to the Medicaid provider's designated contact, the managed
13 care organization's designated contact, the department, and
14 the affected Medicaid member if the decision involves a denial
15 of service. The reviewer may extend the time to issue a final
16 decision by fourteen calendar days upon agreement of all
17 parties to the review.
18 11. The department shall enter into a contract with
19 an independent review organization that does not have a
20 conflict of interest with the department or any managed care
21 organization to conduct the independent third-party reviews
22 under this section.
23 a. A party, including the affected Medicaid member or
24 Medicaid provider, may appeal a final decision of the external
25 independent third-party reviewer in a contested case proceeding
26 in accordance with chapter 17A within thirty calendar days from
27 receiving the final decision. A final decision in a contested
28 case proceeding is subject to judicial review.
29 b. The final decision of any external independent
30 third-party review conducted pursuant to this subsection shall
31 also direct the nonprevailing party to pay an amount equal to
32 the costs of the review to the external independent third-party
33 reviewer. Any payment ordered pursuant to this subsection
34 shall be stayed pending any appeal of the review. If the
35 final outcome of any appeal is to reverse the decision of the

1 external independent third-party review, the nonprevailing
2 party shall pay the costs of the review to the external
3 independent third-party reviewer within forty-five calendar
4 days of entry of the final order.

5 EXPLANATION

6 The inclusion of this explanation does not constitute agreement with
7 the explanation's substance by the members of the general assembly.

8 This bill establishes an external review process
9 for Medicaid providers for the review of final adverse
10 determinations of a Medicaid managed care organization's
11 (MCO's) internal appeal processes. The external review
12 process would be available to a Medicaid provider who has been
13 denied the provision of services to a Medicaid member or a
14 claim for reimbursement, and who has exhausted the internal
15 appeals process of an MCO. The bill specifies the process
16 for the external review and provides that a final decision
17 of an external reviewer may be reviewed in a contested case
18 proceeding pursuant to Code chapter 17A, and is ultimately
19 subject to judicial review.