

FY 2004 BUDGET AND PERFORMANCE REQUIREMENTS PROGRAM MANAGEMENT

August 21, 2003

Appeals/Hearings (Intermediary)

Addendum 2

The Medicare Appeals and Hearings function ensures that the due process rights of beneficiaries and providers who are dissatisfied with initial claims determinations and subsequent appeal decisions are protected under the Medicare program. These BPRs are designed to provide continued support and guidance to the Medicare contractors as they focus their efforts on efficiently and effectively administering all levels of the Part A and Part B appeals processes.

In keeping with CMS' Strategic Plan Objectives, the appeals and hearings function is focused on improving beneficiary satisfaction with programs and services, increasing the usefulness of communications, and maintaining and improving CMS' position as a prudent program administrator and an accountable steward of public funds. We must also comply with statutory requirements regarding the processing of appeal requests in a cost-effective manner that supports our goals of customer service and fiscal responsibility.

In FY 2004, contractors should continue with the following objectives:

- Ensure that all appeals decisions are processed accurately and correctly;
- Process reconsiderations, reviews, and hearing officer hearings in accordance with the statutory timeliness standards;
- Prepare customer friendly written correspondence in accordance with the guidelines established in Sections 3784, 3792 and 3794 of the Medicare Intermediary Manual (MIM);
- Maintain complete and accurate case files;
- If necessary, prioritize workload in accordance with CR 2330 or the most current program guidance;
- Conduct quality improvement and data analysis activities as part of your administration of the appeals process;
- Establish and maintain open communication with other program areas that affect appeals;
- Continue quality improvement and data analysis activities as described in your plan. Monitor and track significant changes in appeals receipts; and, identify root causes, anticipated duration, and necessary actions for countering any workload aberrancies; and
- Identify and refer providers that would benefit from education on the importance of submitting requests for appeals correctly, including applicable documentation at the earliest point in the appeals process.

In FY 2004, CMS expects that contractors will establish workload strategies within the budget provided. As a reminder, in addition to satisfying all requirements contained in the BPRs, intermediaries are responsible for meeting the requirements of Sections 3780 through 3798 of the MIM, along with any relevant Program Memoranda, and should develop their FY 2004 budget requests accordingly. Also see the Activity Dictionary (Attachment 1 to the BPRs).

Capturing Workload

Intermediaries will continue to report appeals cost data on the CAFM II system. For each activity, Workload 1 is the number of claims processed and Workload 2 is the number of cases processed, unless otherwise noted. Workload 3 is the number of reversals at the given level of appeal, unless otherwise noted. If the workload is currently captured in CROWD, CAFM II will transfer this data into the appropriate Activity Code. Please refer to the workload chart included in this section of the BPRs for a description of workload for each Activity Code.

Changes in FY 2004

Activity Code 12113 – Incomplete Reconsideration Requests has been added.

Activity Code 12140 – Part B Dismissals/Withdrawals of Review Requests has been deleted.

Miscellaneous Activity Code 12141-01 -- Part B Dismissals/Withdrawals of Review Requests (Telephones) has been added.

Miscellaneous Activity Code 12142-01 – Part B Dismissals/Withdrawals of Review Requests (Written) has been added.

Activity Code 12143 – Incomplete Review Requests has been added.

Preparing and Submitting the Appeals and Hearings Budget Request

Intermediaries must submit narrative justifications supporting their appeals budget request. As part of the justification, include the following:

- Identify the processes that the contractor shall use to monitor spending in each appeals activity code to ensure that spending is consistent with the allocated budget. Indicate how often this is monitored. Include processes that the contractor will undertake to revise or amend the plan when spending is over or under the budget allocation;

- Identify and describe the processes that assure the accuracy and the consistency of reporting workload for each Activity Code and assess the proper allocation of FTE/hrs that are required for each activity;
- Identify by name your claims processing standard system and list any other system support you use (e.g., user interfaces) and the appeals functions it performs;
- Identify current trends, program initiatives, or other program requirements that could impact the volume of appeal receipts. Explain how the initiative/requirement will impact your appeals function and any additional cost you believe will be incurred in the appeals area.
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- Identify the dollars associated with continuing quality improvement/data analysis (QI/DA) activities that you performed prior to the release of CR 2740 and the dollars related to the QI/DA activities that you have implemented as a result of CR 2740.

APPEALS AND HEARINGS DELIVERABLES

<i>Reports</i>	<i>Submit to</i>
1.) Any revisions to your Appeals QI/DA Plan. If there are significant and/or numerous changes, submit a revised QI/DA report in its entirety. 2.) At least 3 QI/DA Reports per year, as indicated in CR 2740. (This CR will be updated for FY 2004)	Regional Office to: RO Appeals Contact Central Office to: AppealsOperations@cms.hhs.gov

Descriptions of FY 2004 Intermediary Appeals Activities:

A general description of each activity is listed below. Please refer to Sections 3780 through 3798 of the MIM and applicable Program Memoranda for guidance in carrying out current appeals process activities.

Parts A and B Quality Improvement/Data Analysis (Activity Code 12090) (CR 2740 or AB-03-067, which will be updated for FY 2004)

Report all costs associated with conducting a quality improvement/data analysis program focused on reducing unnecessary appeals and improving performance requirements. Include costs of continuing activities you performed prior to the release of CR 2740 as well as costs for new activities you implemented as a result of CR 2740.

Part A Reconsiderations (Activity Code 12110) (§§1869 and 1816(f)(2)(A)(i) of the Social Security Act; MIM §§ 3782, 3783, 3784)

Report all costs and workloads associated with processing reconsiderations. Seventy-five percent of reconsiderations must be processed within 60 days and 90 percent must be processed within 90 days.

Incomplete Reconsideration Requests (Activity Code 12113) (MIM §3782) (pending CR)

Report all costs and workloads associated with returning incomplete and unclear requests for reconsideration to the provider or State Medicaid Agency. Do not count these as dismissals or completed reconsiderations.

Part A Administrative Law Judge (ALJ) Hearing Requests (Activity Code 12120) (§§1869 and 1816(f)(2)(A)(ii) of the Social Security Act; MIM §§ 3785, 3786, 3787, 3797 and a pending CR)

Report all costs and workloads associated with processing Part A ALJ Hearing Requests. Report all costs associated with effectuating Part A ALJ decisions. Report all costs and workload associated with referring Part A ALJ cases to the Departmental Appeals Board (DAB) also known as the appeals council (AC); responding to DAB requests for case files and effectuating DAB decisions.

- **Part A ALJ Courier Service (Miscellaneous Code 12120-01) (AB-02-126)**

Report all costs associated with using the courier system to send ALJ case files to the appropriate Office of Hearings and Appeals.

Part B Telephone Reviews (Activity Code 12141)

Intermediaries who perform Part B telephone reviews should report the applicable costs and workload here. Telephone reviews are reviews which are requested by phone and completed by phone.

- **Part B Telephone Review Dismissals and Withdrawals (Miscellaneous Code 12141/01)**

Report costs associated with Part B Telephone Reviews that are dismissed or withdrawn.

Part B Written Reviews (Activity Code 12142) (§1842(b)(2)(B)(i) of the Social Security Act; MIM §§ 3793)

Report all costs and workload associated with processing written review requests. At least 95 percent of Part B reviews must be completed within 45 days.

- **Part B Written Review Dismissals and Withdrawals (Miscellaneous Code 12142/01)**

Report costs associated with Part B written reviews that are dismissed or withdrawn.

Part B Incomplete Review Requests (Activity Code 12143) (MIM §3793)

Report all costs and workloads associated with review requests that are incomplete and, therefore, returned to the provider or State Medicaid agency. Do not count cost or workload associated with dismissals or completed reviews here.

Part B Hearing Officer (HO) Hearings (Activity Code 12150) (MIM §3794; §1842 (b)2(B)(ii) of the Act)

Report all costs and workload associated with processing HO hearings. Include on-the-record, telephone and in-person hearings and dismissals/withdrawals. At least 90 percent of all HO hearing decisions must be completed within 120 days of receipt of the request for the hearing.

Part B ALJ Hearings (Activity Code 12160) (MIM §3797)

Report all costs and workloads associated with processing Part B ALJ Hearing Requests. Report all costs associated with effectuating Part B ALJ decisions. Report all costs and workload associated with referring Part B ALJ cases to the Departmental Appeals Board (DAB) also known as the appeals council (AC); responding to DAB requests for case files and effectuating DAB decisions.

- **Part B ALJ Courier Service (Miscellaneous Code 12160-01) (AB-02-126)**

Report all costs associated with using a courier mail system to send ALJ case files to the Office of Hearings and Appeals in Falls Church, Virginia.

**SUMMARY OF APPEALS CAFM II ACTIVITY CODE DEFINITIONS FOR
INTERIM EXPENDITURE REPORTS- Part A and Part B**

Activity Code	Activity	Workload 1	Workload 2	Workload 3
12090	Part A and B Quality Improvement/Data Analysis	NA	NA	NA
12110	Part A Reconsiderations	Reconsideration Requests Cleared (claims)	Reconsideration Requests Cleared (cases)	Reconsideration Reversals (cases)
12113	Part A Incomplete Reconsideration Requests	NA	Incomplete Reconsideration Requests (cases)	NA
12120	Part A ALJ Hearing Requests	ALJ Hearing Request Forwarded (claims)	ALJ Hearing Request Forwarded (cases)	ALJ Hearings Effectuated (cases)
12120/01	Courier Service Fee	NA	NA	NA
12141	Part B Telephone Reviews	Telephone Review Requests Cleared (claims)	Telephone Review Requests Cleared (cases)	Review Reversals
12141/01	Part B Telephone Reviews Dismissed or Withdrawn	NA	NA	NA
12142	Part B Written Reviews	Written Review Requests Cleared (claims)	Written Review Requests Cleared (cases)	Review Reversals (cases)
12142/01	Part B Written Reviews Dismissed or Withdrawn	NA	NA	NA
12143	Incomplete Review Requests	NA	Incomplete Review Requests (cases)	NA
12150	Part B Hearing Officer Hearings	HO Hearings Completed (claims)	HO Hearings Completed (cases)	HO Hearings Reversed (cases)
12160	Part B ALJ Hearing Requests	ALJ Hearing Requests Forwarded (claims)	ALJ Hearing Requests Forwarded (cases)	ALJ Hearings Effectuated (cases)
12160/01	Courier Service Fee	NA	NA	NA