

State of California Medi-Cal Superior Systems Waiver Summary

Type of Waiver: 1903(i)(4)

Proposed Renewal Term: June 11, 2008 through June 10, 2010

Program Services Area: Statewide

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Purpose of Waiver:

The purpose of the Superior Systems Waiver is to control unnecessary and excessive use of Fee-for-Service (FFS) acute inpatient services. The waiver ensures 100 percent review of all acute inpatient hospital days. In addition, the waiver ensures TAR adjudication using statewide standardized written criteria.

Background:

Section 1903(i)(4) of the Social Security Act provides that to participate in Medicaid, a hospital or skilled nursing facility must have a Utilization Review (UR) Plan in effect that meets the requirements set forth in Section 1861(k) of the Social Security Act. Section 1903(i)(4) also provides that the requirements can be waived when a State Medicaid Agency shows that it has UR procedures in place that are superior to the Federal requirements.

California Medi-Cal Utilization Review Waiver (Superior Systems):

The Superior Systems Waiver exceeds the Federal UR Plan in the following areas:

1. Sampling Method for UR

The Superior Systems UR Plan requires 100 percent review of all hospitalizations for acute inpatient services. Most nonemergency elective admissions are reviewed prior to admission and all emergency admissions are presented to State-employed Nurse Evaluators and/or Medical Consultants for approval based on medical necessity and justification. The Federal UR Plan allows committees or peer groups performing UR within the facility to use a sampling basis for performing UR.

2. UR Reviews

The Superior Systems UR Plan requires TARs to be reviewed by independent Nurse Evaluators and/or Medical Consultants employed by State Medi-Cal Field Offices. The Federal UR Plan requires hospital UR committees to review TARs.

3. Admission Review Requirements

The Medi-Cal Superior Systems UR Plan requires all State-employed Nurse Evaluators and/or Medical Consultants to utilize statewide written criteria based on policies of the program and professional judgment along with consultation with other physicians, to ensure that medical decisions are consistently and uniformly applied. The Federal UR Plan requires the local hospital UR committee to develop hospital-specific, written criteria to define their own UR guidelines.

4. Application of Technology

Medi-Cal's superior system takes advantage of emerging technologies to increase the efficiency and effectiveness of TAR adjudications. In addition, it allows for the monitoring of TAR data in order to provide insights into adjudication practices among the field offices, Medical Consultants and Nurse Evaluators. Identification of specific trends can be utilized to encourage best practices while still maintaining control and addressing issues early in areas that may become problematic.

5. Formal Appeal Process

The formal appeal process that accompanies the State handling of the reviews allows due process for those providers and beneficiaries denied authorizations for acute inpatient hospital days. These formal processes incorporate an independent review of these denials through either State Headquarters office Medical Consultants or Administrative Law Judges, respectively.

Superior Systems Waiver Exemptions:

1. Indian Health Services

- The Superior Systems Waiver excludes Indian Health Inpatient Facilities in the Phoenix area, which is considered a border area to California, because the UR is conducted in accordance with Title 42, Code of Federal Regulations, Part 456, Subpart C, utilizing the Federal method.
- The excluded inpatient facilities are: Phoenix Indian Medical Center and Parker Hospital.
- TARs are not submitted from these facilities to the DHCS Medi-Cal Field Offices for adjudication.

2. Alameda County

- Alameda County performs its own UR as authorized by Welfare and Institutions Code, Sections 14133.5 and 14133.51.

3. TAR-Free Obstetrical Acute Care

- Pursuant to State law AB 1397 (Gallegos), Chapter 652, Statutes of 1998, routine deliveries in an acute inpatient care hospital do not require authorization to be submitted to Medi-Cal for review of medical necessity for the first two days after a vaginal delivery and the first four days after a caesarean section.