



Hospital Utilization Review Stakeholder Meeting

Utilization Review Overview

IG Audit Division
April 18, 2016

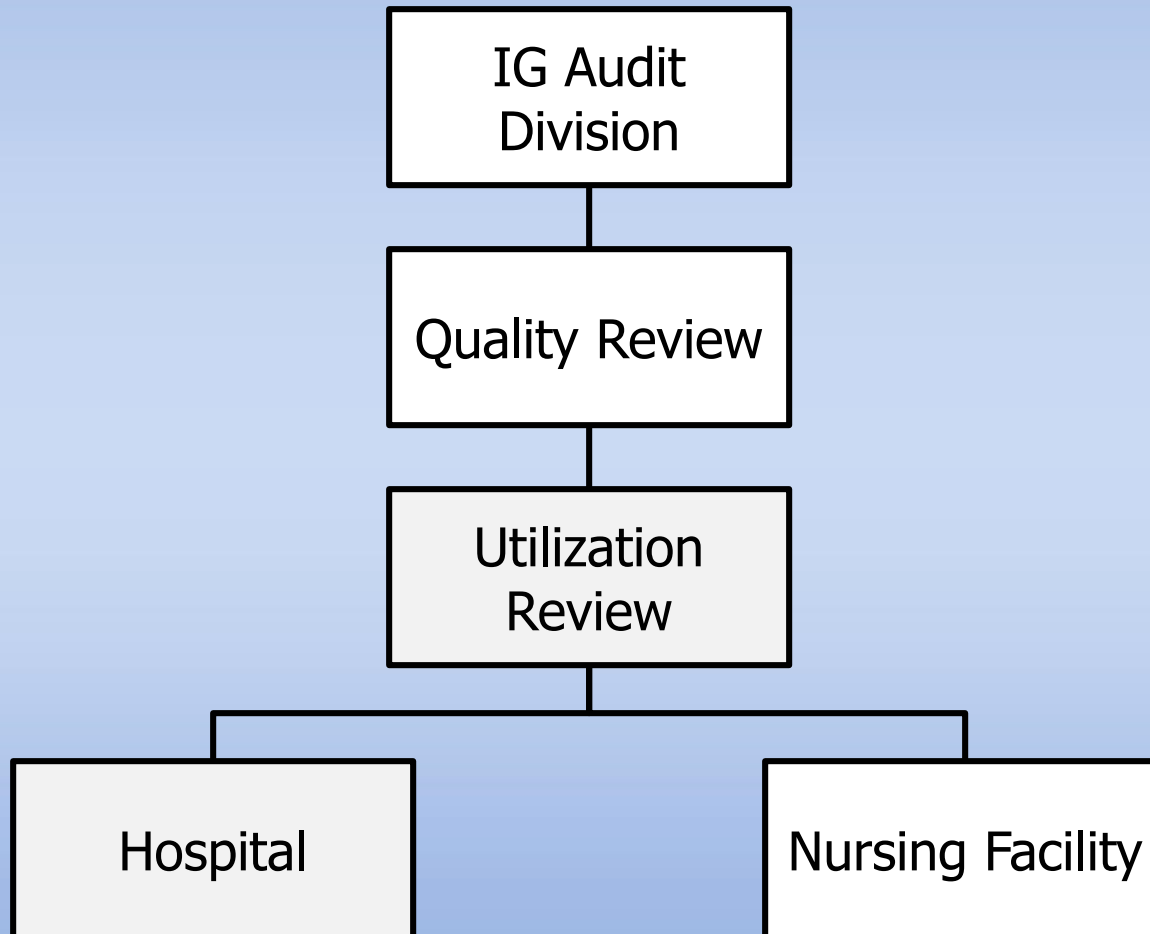


INSPECTOR GENERAL

Texas Health and Human Services Commission



Organization





Utilization Review Locations

- State Office
 - Austin
- 5 Regional locations
 - Abilene
 - Waco
 - Fort Worth
 - Houston
 - San Antonio
- 9 Additional office locations throughout the state



Fiscal Year 2016 Work Plan

The FY 2016 work plan for hospital utilization review across the state includes reviews of approximately 87,000 fee-for-service claims selected from the fourth quarter of 2010 through the first quarter of 2014.



Utilization Review Components

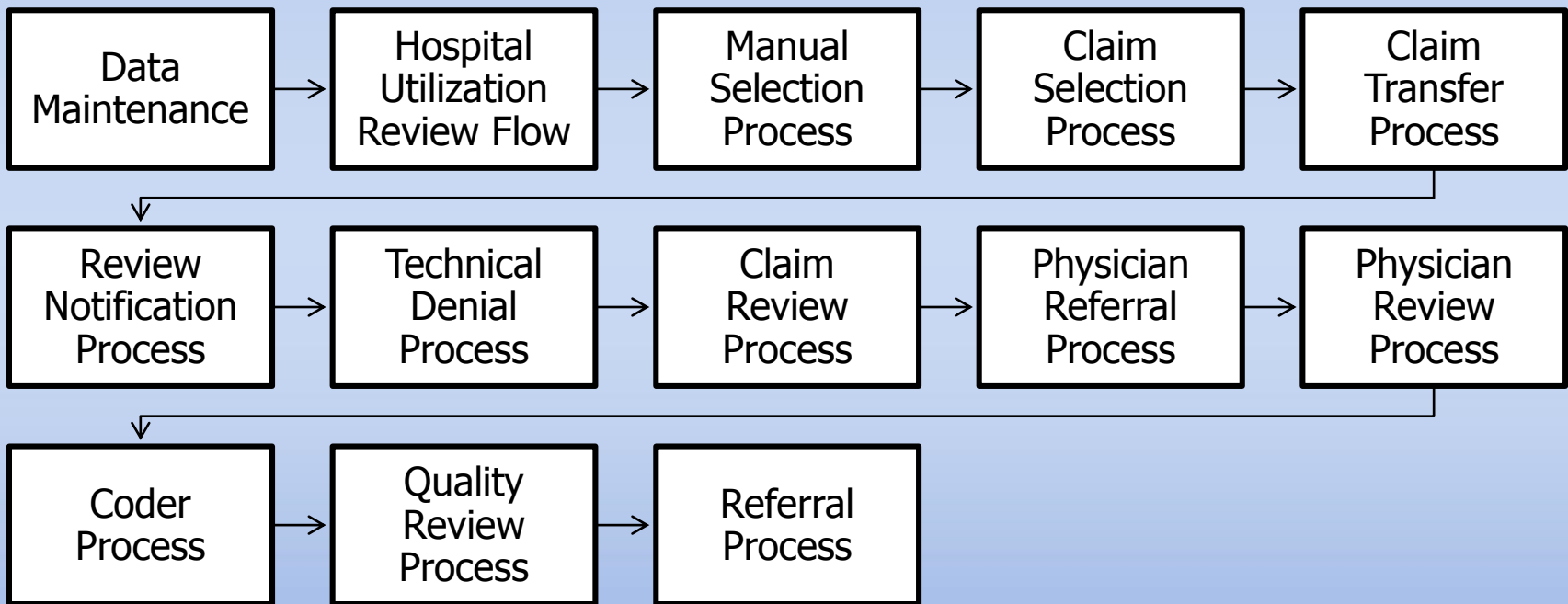
Review of paid inpatient hospital claims for services provided to Medicaid recipients to assess:

- Medical necessity for inpatient care
 - Use MCG, evidence based guidelines
- Appropriateness of the diagnosis-related group (DRG) assignment
 - Use ICD-9 CM, coding guidelines to validate diagnoses and procedures
 - Diagnoses are supported by medical records
- Quality of care
 - Review to identify whether services delivered meet generally accepted standards of medical and hospital care practices



Hospital Utilization Review Workflow

Hospital utilization review workflow includes:





Selecting Claims for Review

IG uses a risk-based assessment to identify claims with high risk characteristics, which include:

- Short Stays
- Newborns with Other Significant Problems
- Psychiatric Inpatient Services (Age <21)
- Day Outliers
- Cost Outliers
- Admissions and Readmissions
- Children's Hospitals
- Freestanding Psychiatric Hospitals
- Freestanding Rehabilitation Hospitals



Selecting Claims for Review, Cont.

- Chemical Dependency Diagnoses without accompanying Medical Condition
- Complex or Premature Deliveries which include:
 - Prematurity with major problems
 - Full term neonate with major problems
 - Vaginal delivery with complicating diagnoses
 - Cesarean section delivery with complicating diagnoses
 - Extreme immaturity or Respiratory Distress Syndrome diagnoses



Recent Trends in Hospital Reviews

- Treatment or care that was not provided on the initial admission, resulting in a readmission
- Improper sequencing of obstetrical diagnoses
- Outpatient procedures billed as inpatient in an inpatient setting
- Diagnoses not supported by the medical record
- Errors in claim submission demonstrated by not capturing the entire stay
- Observation changed to inpatient and not capturing the entire period
- Diagnoses coded without the physician making the diagnosis



84th Session Legislative Change

Senate Bill 207 requires IG to comply with federal coding guidelines:

Sec. 531.1023. COMPLIANCE WITH FEDERAL CODING GUIDELINES. The commission's office of inspector general, including office staff and any third party with which the office contracts to perform coding services, shall comply with federal coding guidelines, including guidelines for diagnosis-related group (DRG) validation and related audits.



Actions to Ensure Compliance with Senate Bill 207

- Update DRG review process so that it fully complies with federal coding guidelines
 - Will present new process to stakeholders for review and comment prior to implementation
- Until updated processes are completed, utilization review will include reviews for medical necessity and quality only
- Hospitals may request IG to re-review claims that were the subject of an IG DRG Change Notification letter dated September 1, 2015 or later



DRG Validation Process Updates

- Update the IG utilization review process to ensure full compliance with federal coding guidelines after consideration of provider feedback
- Focus on the guidelines' direction related to the correct coding of principle and secondary diagnoses
- Include more certified coders in workgroups and/or on IG staff to guide DRG reviews
- Newly formed Quality Assurance team will assess compliance with updated process and inter-rater reliability of nurse reviewers, and identify policy revision and training needs



Next Steps

FY 2016

- Resume DRG reviews when process revisions are complete
- Perform requested re-reviews of claims that were the subject of an IG DRG Change Notification letter dated September 1, 2015 or later
- Continue to perform reviews in accordance with the FY 2016 work plan

FY 2017

- Review managed care claims beginning with claims from the first quarter of 2015
- Begin reviewing Type Program Code 30 (inpatient claims for emergency services)



Utilization Review

Questions?



Utilization Review

Contact Information

Judy Knobloch, RN, MS, CPHQ
Director Quality Review
judy.knobloch@hhsc.state.tx.us

Beverlyn Fitts, RN, BSN
Hospital/Lock-In Manager
beverlyn.fitts@hhsc.state.tx.us

Janet Hobbs, RN, MSN
Hospital/Lock-In Team Leader
janet.hobbs@hhsc.state.tx.us

Pat Anderson, RHIT
Program Specialist/Coder
pat.anderson@hhsc.state.tx.us

Shanna Hines, RHIA, CCS
Medical Coder/UR Program Coordinator
shanna.hines@hhsc.state.tx.us

Ramona Gaston-McNutt, RN
Quality Nurse Specialist
ramona.gastonmcnuttt@hhsc.state.tx.us