

## Medical Day Care Report on Medical Eligibility Determinations

At the request of the Maryland General Assembly's budget committees, the Department of Health and Mental Hygiene is reporting on the medical eligibility determinations in Medicaid's Medical Day Care Program. As requested, the reporting period is October 1, 2005 through September 1, 2006. The budget committees specifically requested the following data:

- The number of medical day care applicants and recipients denied initial admission and continuing eligibility;
- The number of initial or continuing stay denials that affected persons with a psychiatric diagnosis, developmental disability, or brain injury;
- The number of appeals and the outcome of those appeals; and,
- The number of individuals denied care who later received services through a nursing facility, medical day care center, inpatient hospital stay, agency licensed by the Developmental Disabilities Administration, or the Mental Hygiene Administration.

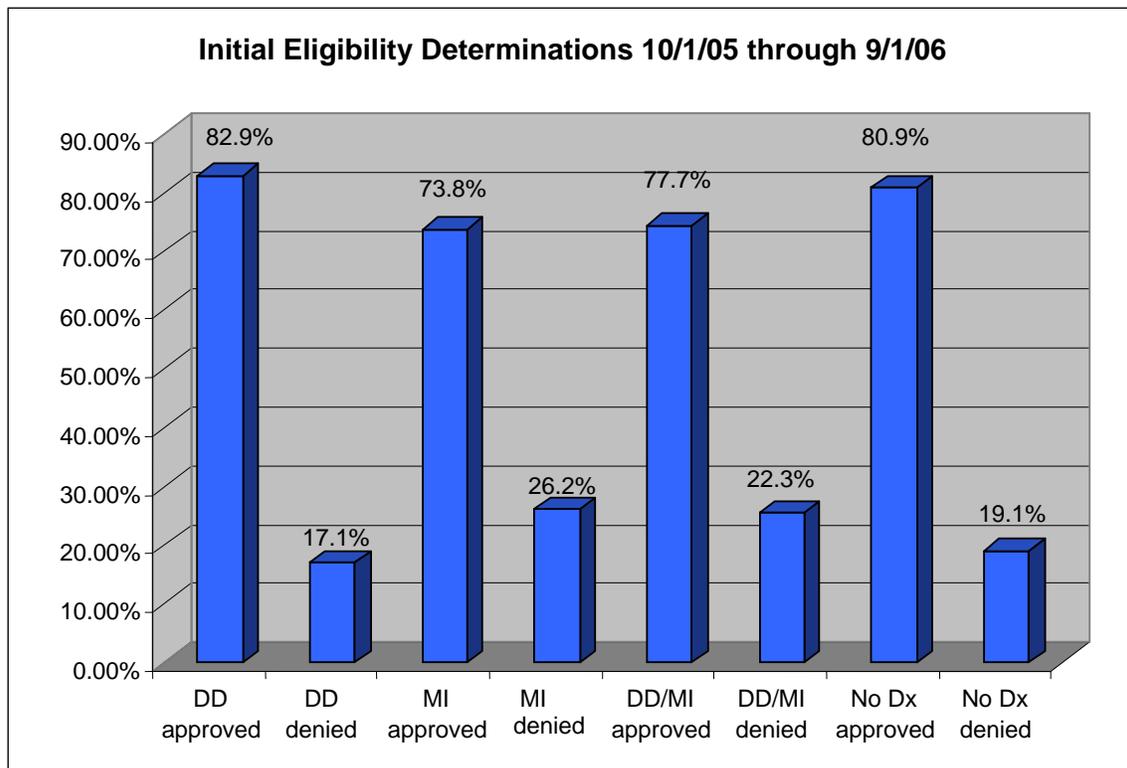
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### BACKGROUND

Medical day care (MDC) services have been reimbursed by the Maryland Medicaid Program since January 1980. MDC services are offered to individuals who are medically eligible for the Program's nursing facility benefit as a community alternative to institutional care. Unlike recipients of nursing facility services who undergo periodic review to determine whether such services continue to be medically necessary, recipients of MDC services were not subject to a continued stay review assessment until October 1, 2005. The Program initiated continued stay reviews for MDC services in an effort to ensure the appropriateness of expenditures for this service. Initiation of continued stay reviews brought MDC services into conformance with the administration of the nursing facility benefit and all other community-based service alternatives to nursing home care.

## INITIAL ELIGIBILITY DETERMINATIONS

From October 1, 2005 to September 1, 2006 the Program processed 1,459 applications for medical eligibility for MDC services. Of these, 1,126 (77.2%) were approved and 333 (22.8%) were denied. A total of 140 applicants were identified on their applications as having a developmental disability. Of these, 116 (82.9%) were approved and 24 (17.1%) were denied. There were 711 applicants identified on their applications as having a mental health diagnosis. Of these, 525 (73.8%) were approved and 186 (26.2%) were denied. Additionally, 211 applicants were identified as having both a developmental disability and a mental health diagnosis. Of these, 164 (77.7%) were approved and 47 (22.3%) were denied. Finally, 397 applications were processed for applicants who were not identified on their applications as having a developmental disability or a mental health diagnosis. Of these, 321 (80.9%) were approved and 76 (19.1%) were denied. The data are illustrated in the graph below.



No data are available on level of care decisions for individuals with brain injury as a distinct group. This diagnostic information is not reported to the Program and is not utilized in making level of care determinations.

## FAIR HEARING REQUESTS – INITIAL DETERMINATIONS

All applicants denied eligibility are provided written notice of the decision. The notice informs them of their right to a fair hearing and provides instructions on how to do so. As

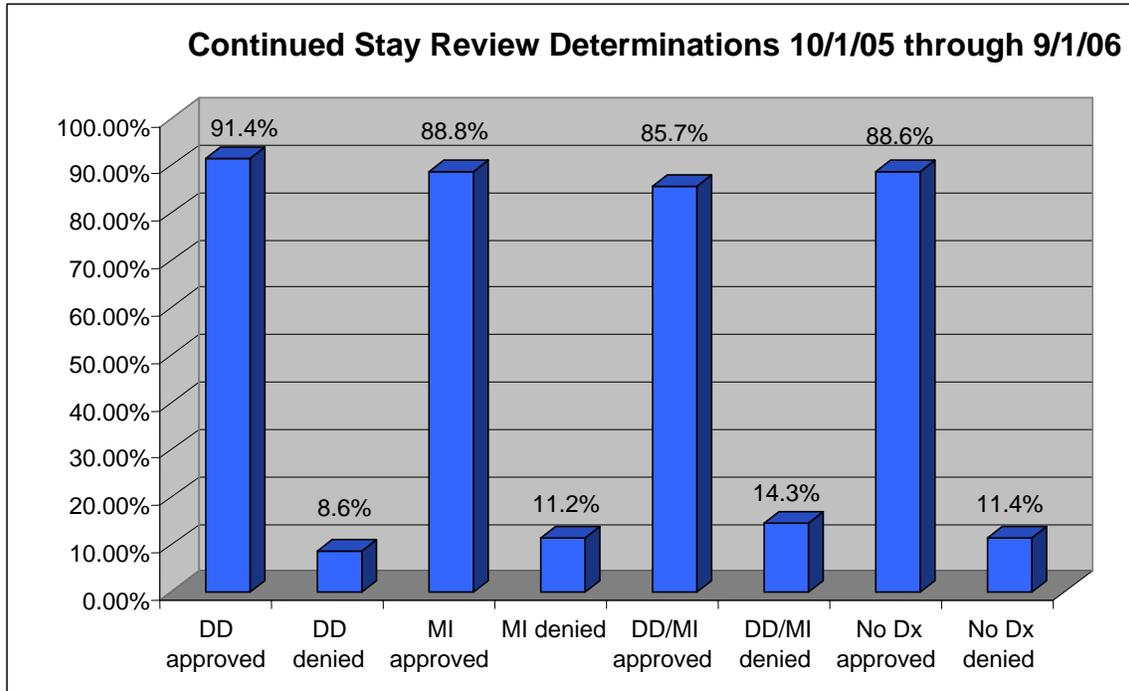
previously stated, during the report period there were 333 denials resulting from initial determinations. Of the 333 denials, 36 (10.8 %) applicants requested a fair hearing. To date, 21 individuals have had a hearing. It is noted that in 4 of the 21 cases, new medical information was presented at the fair hearing that demonstrated the eligibility of the appellant. The results of the fair hearings to date are shown in the chart below:

Denial Overturned By Program	Denial Upheld	Denial Reversed By ALJ	Awaiting Hearing
4	17	0	15
11%	47%	0%	42%

### CONTINUED STAY REVIEW DETERMINATIONS

Continued stay reviews were implemented effective October 1, 2005. Since that date an annual review of each beneficiary's medical eligibility is due the anniversary month in which a participant accessed MDC services as a Medicaid beneficiary. From October 1, 2005 to September 1, 2006 the Program processed 3,511 continued stay reviews for MDC services; 3,118 (88.8%) were approved and 393 (11.2%) were denied.

Of the 3,511 processed, 799 (22.8%) beneficiaries were identified by the provider as developmentally disabled. Of these, 730 (91.4%) were approved and 69 (8.6%) were denied. With regard to individuals with a mental health diagnosis, a total of 1,500 (42.7%) beneficiaries were identified by the provider. Of the 1,500 identified, 1,332 (88.8%) were approved for continued MDC services and 168 (11.2%) were denied. Additionally, 607 (17.3%) beneficiaries were identified by the provider as having both a developmental disability and a mental health diagnosis. Of these, 520 (85.7%) were approved and 87 (14.3%) were denied. Finally, 605 (17.2%) beneficiaries were reviewed for continued receipt of MDC services for whom the provider indicated there was no developmental disability or mental health diagnosis. Of the 605 beneficiaries, 536 (88.6%) were approved and 69 (11.4%) were denied. The data are illustrated in the graph below.



#### FAIR HEARING REQUESTS – CONTINUED STAY REVIEWS

All beneficiaries denied continued receipt of MDC services are provided notice of the decision, its effective date, and their right to contest the decision in a fair hearing. In addition, beneficiaries are provided instructions regarding the process for requesting a fair hearing and informed of the fact that timely submission of a fair hearing request entitles them to continued receipt of MDC services pending an Administrative Law Judge’s decision.

Of the 393 beneficiaries denied during continued stay review assessment, 272 (69.2%) beneficiaries requested a fair hearing and 121 (30.8 %) did not exercise their right to a fair hearing. All 272 beneficiaries requested a fair hearing timely, thus qualifying for continued receipt of MDC services pending an Administrative Law Judge’s decision. It should be noted that in 3 cases the Program overturned its denial of MDC services upon presentation of new medical information supporting the appellants’ medical eligibility.

The outcomes of the Fair Hearings are as follow:

Denial Overturned by Program	Denial Upheld	Denial Reversed by ALJ	Decision Pending	Appeal Withdrawn	Awaiting Hearing
3	72	0	34	40	123
1%	26.5%	0%	12.5 %	15%	45 %

## USE OF OTHER MEDICAL SERVICES

Medicaid claims data were reviewed to determine the usage of hospital services for individuals in receipt of MDC services as well as those denied access to, or continued receipt of MDC. Of the 6,125 individuals who received MDC services during the report period, 1,299 (21%) also received inpatient hospital services. Of the 1,459 individuals who were denied access to MDC services, 57 or (4%) received hospital services during the report period. Of the 393 denied continued receipt of MDC services, 10 (2.5%) received inpatient hospital services during the report period. Similarly, the use of nursing facility services among those who received at least one day of MDC service during the reporting period was significantly greater than that among the other two groups. Six hundred fourteen (614) of the 6,125 participants who attended MDC during the reporting period (10%) also used nursing facility services. Conversely, there were no instances of nursing facility services being funded by Medicaid for those denied access to or continued receipt of MDC services. The hospital and nursing facility paid claims data suggest that those approved by Medicaid for initial and continued receipt of MDC services are significantly at greater risk of hospitalization or nursing facility placement than those denied access to or continued receipt of MDC services.

Medicaid paid claims data reveals that 22 of the individuals denied initial MDC eligibility subsequently reapplied and were approved and received MDC service. None of the individuals denied MDC at continued stay review, however, were subsequently approved for MDC service during the report period. It should be noted that many of these individuals continued to receive services during the report period because they appealed timely and continued to receive benefits pending the outcome of their fair hearings.

## FACILITATING ACCESS TO APPROPRIATE COMMUNITY SERVICES

All beneficiaries denied continued receipt of MDC services and identified by the provider as having a developmental disability or a mental health diagnosis were referred by Program staff to the Developmental Disabilities Administration (DDA) and the Mental Hygiene Administration (MHA) where appropriate. Beneficiaries identified as having both a developmental disability and a mental health diagnosis were referred to both administrations. These referrals took place regardless of whether or not the beneficiary appealed the denial of continued benefits. For the time period in question, there were 156 referrals to the Developmental Disabilities Administration and 255 referrals to the Mental Hygiene Administration.

Individuals denied continued stay and referred to DDA are being assessed by regional DDA staff to determine the appropriateness of services offered by their administration. Program staff have referred 156 individuals denied MDC at continued stay review to DDA. As of this writing, 49 (31%) have been either admitted to day habilitation or other appropriate services or, for some individuals already receiving services, DD services have been expanded to more appropriately meet the consumers' needs. Currently, 47 (30%) individuals are being reviewed or referred to DDA providers for services and 60 (39%) are pending review.

Individuals denied at continued stay and referred to the MHA are being assessed by central office staff. As of September 19, 2006, MHA reported that 68 (34%) of the 201 individuals reviewed had a serious mental illness and could possibly benefit from public mental health services. Additionally, 95 (47%) of the 201 individuals reviewed were determined to not be appropriate for public mental health services.

## SUMMARY

The Program views the implementation of continued stay review in MDC as a success. The Program worked with the MDC industry to develop and implement a continued stay review process that assures thoughtful, comprehensive consideration of individuals' needs; ensures individuals' due process rights; facilitates access to more appropriate community-based services; and assures the integrity of Medicaid expenditures yet minimizes the additional administrative burden placed upon MDC providers.