



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leraan, Secretary

August 25, 2000

The Honorable Gary R. George, Co-Chair
Joint Legislative Audit Committee
Room 118 South, State Capitol
Madison, WI 53702

The Honorable Carol Kelso, Co-Chair
Joint Legislative Audit Committee
Room 16 West, State Capitol
Madison, WI 53702

Dear Senator George and Representative Kelso:

In the 1993--1995 budget, the legislature dramatically expanded the Medical Assistance audit function by adding 13 auditor positions to my department, with the expectation that these new auditors would encourage compliance by providers and save taxpayer dollars in the MA program. Another nine auditor positions were added in the 1997--1999 budget.

The Bureau of Program Integrity in the Division of Health Care Financing has been fulfilling its duty to the taxpayers of Wisconsin. State audits have encouraged compliance in this state, with the result that Wisconsin is not experiencing the embarrassing Medicaid fraud epidemic affecting states such as California.

However, concerns about my department's audit process have been expressed recently by some legislators, counties, and editorial writers. Some of the criticism has been vociferous, which has prompted me to take a close look at audit records to confirm our position. At this time, I am satisfied that the department auditors are technically correct in their findings.

However, in the interest of enhancing public confidence in the methodology, integrity and conduct of our audits, I request that the Legislative Audit Bureau conduct a thorough examination of our policies and procedures, and work with our auditors to identify areas for improvement, if any.

Thank you for your consideration of this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'Joe Leraan', written over a horizontal line.

Joe Leraan
Secretary

(Based on Prior Authorizations 01/01/00-08/28/00 at New Berlin Therapies)

Total PAs submitted during above period of time:

PT: 128 (+10 amendment requests)

OT: 116 (+5 amendment requests)

ST: 102 (+8 amendment requests)

Total PAs during above time period that have gone through complete process (are approved/denied):

PT: 110

OT: 93

ST: 76

Total PAs denied during above time period:

PT: 1

OT: 6

ST: 16

Total PAs returned with requests for more information/questions or clerical errors:

PT: 62 (56.7% of all PAs that have completed process)

OT: 58 (62.4% of all PAs that have completed process)

ST: 37 (48.7% of all PAs that have completed process)

FOR PT: Only 9 PAs were returned only for clerical error; the remaining 53 were returned at some point for more information and/or questions. (Meaning 48.2% of all PT PAs completing process were returned for more information/questions.)

FOR OT: Only 4 PAs were returned only for clerical errors; the remaining 54 were returned at some point for more information and/or questions. (Meaning 58.1% of all OT PAs completing process were returned for more information/questions.)

FOR ST: Only 10 PAs were returned only for clerical errors; the remaining 27 were returned at some point for more information and/or questions. (Meaning 35.5% of all ST PAs completing process were returned for more information/questions.)

Most often requested period of time on a PA:

PT: 26-52 weeks

OT/ST: 26 weeks

Average number of weeks approved on PAs (based on random sampling of 30 PAs per therapy):

PT: 19.5 weeks

OT: 15.9 weeks

ST: 18.6 weeks

Average number of days between date PA first sent and date PA finally is approved/denied:

PT: 28.2 days (greatest 76 days)

OT: 36.0 days (greatest 96 days)

ST: 27.8 days (greatest 82 days)

PAs with Greater than 40 days Adjudication Time

PT

PA# 1687336 sent 6/7, ret. 6/15, sent 6/16, ret. 6/29, sent 7/5, ret 8/5 (59 days)
 PA# 1687405 ovrnt. 5/10, ret. 5/16, sent 5/17, ret. 6/5, sent 6/19, ret. 7/1 (52 days)
 PA# 1651607 sent 4/26, ret. 5/11, sent 6/1, ret. 7/11 (76 days)
 PA# 1687344 sent 5/31, ret. 6/14, sent 6/15, ret. 6/21, sent 6/23, ret. 7/14 (45 days)
 PA# 1431623 sent 1/10, ret. 1/21, sent 1/24, ret. 2/8, sent 2/9, ret. 2/25 (46 days)
 PA# 1379257 sent 1/27, ret. 2/4, sent 2/9, ret. 3/2, sent 3/7, ret. 3/22 (55 days)
 PA# 1379201 sent 2/9, ret. 3/2, sent 3/6, ret. 3/21 (47 days)
 PA# 1651592 sent 4/5, ret. 4/14, sent 4/17, ret. 5/3, sent 5/4, ret. 5/17, sent 5/17, ret. 6/5 (61 days)
 PA# 1651591 sent 4/5, ret. 5/4, sent 5/11, ret. 5/31 (56 days)
 PA# 1379220 sent 2/25, ret. 3/04, sent 3/6, ret. 3/21, sent 3/23, ret. 4/7 (42 days)
 PA# 1687347 sent 6/1, ret. 6/8 in error, sent 6/8, ret. 6/22, sent 7/5, ret. 7/24 (53 days)
 PA# 1431642 sent 1/18, ret. 2/3, sent 2/17, ret. 3/04 (46 days)
 PA# 1379217 sent 2/24, ret. 3/27, sent 3/28, ret. 4/11 (47 days)
 PA# 1431634 sent 1/24, ret. 2/17, sent 2/28, ret. 3/14 (49 days)
 PA# 1687405 ovrnt. 5/10, ret. 5/16, sent 5/17, ret. 6/5, sent 6/19, ret. 7/1 (52 days)

OT

PA# 1431602 sent 12/14/99, ret, 2/9(56 days)
 PA# 1379205 sent 2/9, ret. 2/24, sent 3/7, ret. 4/1 (52 days)
 PA# 1431665 sent 1/20, ret. 2/8, sent 2/16, ret. 3/13 (53 days)
 PA# 1431656 sent 2/16, ret. 3/2, sent 3/8, ret. in error 3/24, sent 3/29, ret 4/18 (62 days)
 PA# 1651594 sent 4/7, ret. 4/25, sent 5/22, ret. 7/1 (85 days- part error to NBT)
 PA# 1379254 sent 3/8, ret. 3/28, sent 4/3, ret. 4/21 DENIED (50 days)
 PA# 1651593 sent 4/6, ret. 4/14, sent 4/17, ret. 4/29, sent 5/8, ret. 5/25 (50 days)
 PA# 1651609 sent 5/5, ret. 5/15, sent 5/16, ret. 6/5, sent 6/19, ret. 7/6 (62 days)
 PA# 1687419 sent 4/19, ret. 5/10, sent 5/31, ret. DENIED 7/24 (96 days)
 PA# 1687597, sent 4/11, ret. 5/1, sent 5/8, ret. 6/12 (62 days)
 PA# 1687362 sent 5/23, ret. 6/9, sent 6/14, ret. 6/29, sent 7/6, ret. 7/23 (61 days)
 PA# 1687416 sent 4/26, ret. 5/15, sent 5/31, ret. DENIED 6/30 (67 days)
 PA# 1687331 sent 6/12, ret. 6/29, sent 7/20, ret. DENIED 8/26 (58 days- part error NBT)
 PA# 1651611 sent 5/11, ret. 5/26, sent 6/1, ret. 7/12 (62 days)
 PA# 1651613 sent 5/11, ret. 5/27, sent 6/12, ret. 7/24 (74 days)
 PA# 1687369 sent 5/19, ret. 5/26, sent 5/31, ret. 5/15, sent 6/20, ret. 8/5 (77 days)
 PA# 1687354 sent 5/30, ret. 6/5, sent 6/7, ret. 6/22, sent 6/29, ret. 7/23 (54 days)
 PA# 1687353 sent 5/30, ret. 6/15, sent 6/30, ret. 7/11, sent 7/14, ret. 8/2 (64 days)
 PA# 1687345 sent 6/1, ret. 6/19, sent 6/27, ret. 8/5 (65 days)
 PA# 1687326 sent 6/20, ret. 7/6, sent 7/31, ret. in error 8/8, sent 8/9, ret. 8/24 (65 days)
 PA# 1687227 sent 6/23, ret. 7/11, sent 7/20, ret. 8/2, sent 8/7, ret. 8/19(57 days)

ST

PA# 1664912 sent 4/4, ret. 4/25, sent 5/12, ret. 5/26 (52 days)
 PA# 1687411 sent 5/2, ret. 5/9, sent 5/10, ret. 5/25, sent 5/31, ret. 6/19, sent 6/20, ret. 7/6 (65 days)
 PA# 1687377 sent 5/15, ret. 5/26, sent 5/31, ret. DENIED 6/28 (44 days)
 PA# 1687267 sent 5/31, ret. 6/21, sent 6/27, ret. 8/5 (66 days)
 PA# 1687376 sent 5/19, ret. ?, sent 5/30, ret. 6/12, sent 7/3, ret. DENIED 7/24 (66 days)
 PA# 1687351 sent 5/30, ret. 6/8, sent 6/8, ret. 6/24, sent 6/27, ret. DENIED 8/5 (67 days)
 PA# 1687349 sent 5/30, ret. 6/8, sent 6/8, ret. 6/24, sent 6/30, ret. 8/5 (67 days)
 PA# 1687352 sent 5/25, ret. 6/5, sent 6/6, ret. 6/24, sent 7/11, ret. DENIED 7/24 (60 days)
 PA# 1664917 sent 6/14, ret. 7/11, sent 7/24, ret. 8/5 (52 days)

Rossmiller, Dan

From: Michael Steinhauer [wota@execpc.com]
Sent: Friday, June 09, 2000 10:14 AM
To: Sen.George@legis.state.wi.us
Cc: Jan Stevens; Teri Black; Lynn Steffes; Howard Mandeville
Subject: Legislative Audit Request on DHFS-Therapy Services

Dear Senator and Dan,

Hope you are both well, and again thank you for your support of the Occupational Therapy Licensure effort!!

As you can imagine, the WOTA fully supports a legislative audit on the DHFS related to a wide range of issues- prior authorizations, denials and modifications of requests, the negative impact on school based services, consistency of reviewer processes, etc.etc. Further, we have concerns about a trend toward shorter periods of therapy being approved.

I am led to believe that your Joint Committee on Audit may look at this issue during the summer and go to hearing by the end of the summer. We certainly support this plan! Please advise me on what additional information or concerns you may have in this matter so I can address them immediately, and meet our mutual goal for a hearing.

Thank you again and I look forward to hearing from you soon.

Respectfully,

Michael J. Steinhauer
WOTA Executive Director

Rossmiller, Dan

From: Jerry Murphy [jerome.murphy@worldnet.att.net]
Sent: Sunday, April 09, 2000 5:20 PM
To: Dan.Rossmiller@legis.state.wi.us
Subject: Expansion of Medicaid Audit



SURVIVALLegAuditDo
c.doc

Hi Gary,

Attached is the request for expansion for the Medicaid Audit. Thanks for looking at this and let me know if you have any questions.

Lori

-----Original Message-----

From: Lynn/Phil Steffes <stefbiz@execpc.com>
To: Jerry styberg <jerrys@mjcare.com>; kinobob@execpc.com <kinobob@execpc.com>; LKNiemela <LKNiemela@AOL.com>; R. Hebar <rhebar@execpc.com>; Liz hecht <hecht@waisman.wisc.edu>; Howard Mandeville <MandeHJ@dhfs.state.wi.us>; dgillman <dgillman@gundluth.com>; arcwger <arcwger@itis.com>; laRAVUSO <laRAVUSO@SAFETYWEB.ORG>; VBAKER <VBAKER@SAFETYWEB.ORG>; BLUMK <BLUMK@AOL.com>; HoffmCP <HoffmCP@dhfs.state.wi.us>; ONDREJM <ONDREJM@dhfs.state.wi.us>; wota <wota@execpc.com>; anderson <anderson@wpp.org>; lynnb <lynnb@w-c-a.org>; jhannah <jhanna@w-c-a.org>; R. Hebar <rhebar@execpc.com>; wota <wota@execpc.com>; pcarriveau <pcarriveau@worldnet.att.net>; jstyberg <jstyberg@execpc.com>; bquad <bquad@yahoo.com>; murban <murban@mcw.edu>; monarchmomLO <monarchmomLO@CS.com>; BAE <BAE@execpc.com>; LKNiemela <LKNiemela@AOL.com>; JulieKbool <JulieKbool@AOL.com>; rmc53150 <rmc53150@yahoo.com>; kmd5k <kmd5k@yahoo.com>; dElias <dElias@execpc.com>; jerome.murphy <jerome.murphy@worldnet.att.net>
Date: Friday, April 07, 2000 9:18 AM
Subject: Follow up

>Thank you for your support in assisting children & families in WI to
>access WI Medicaid services.

>

>Attached is the final draft re: request for expansion. Please contact
>your respective legislators via phone or mail by Wednesday April 15th
>regarding this. We appreciate any support at this critical time in the
>process!!!!!!

>

>SURVIVAL COALITION MEDICAID GROUP

>

Proposed Legislative Audit on DHFS Medicaid Prior Authorization Practices Regarding Therapies for Children with Special Health Care Needs

Over the past 2-3 years there has been increasing concern among disability groups regarding the number of parents with children with severe disabilities and the providers who serve them who have had negative experiences in their efforts to obtain Medicaid Funded Therapies, Durable Medical Equipment and Home Health/Personal Care Services. There is an emerging consensus view among parents, providers and disability groups around the state that **the Division of Health Care Finance (DHFS) is misusing its prior authorization authority to inappropriately ratchet down the level of Medicaid spending in this area of services.**

This issue goes beyond how many requests for services are actually denied, how many denials are appealed, and the final outcome of those appeals. **More parents and providers have become discouraged by this cumbersome, bureaucratic process leading to an overall "chilling effect" on the number of Medicaid-eligible families who even seek needed services, as well as, the number providers willing to navigate this process in order to provide services to these children and families.**

Organizations such as the: Wisconsin Coalition for Advocacy (WCA), the Arc-WI and the Wisconsin Council on Developmental Disabilities (WCDD) and individual providers, as well as, provider groups including the Wisconsin Occupational Therapy Association (WOTA), Wisconsin Physical Therapy Association (WPTA) have attempted to have their questions answered and concerns resolved through ongoing direct inquiry, multiple meetings and interactions with DHFS officials. This has not led to a clearer understanding of the problem, nor has it diminished the concerns of parents and providers statewide. **While DHFS has reported improvements in their processing, providers and families have not experienced the system as improved in any significant capacity.**

Consequently, the SURVIVAL Coalition of 25+ statewide disability organizations is calling on the WI Legislature to undertake an audit of DHFS practices in the area of prior authorization and adjudication of therapy services for children with special needs. We understand that The Senate Committee on Health, Utilities, Veteran's and Military Affairs has requested a legislative audit for similar issues of Personal Care Services. **We would like the Audit Committee to support this request and include a logical expansion of the Personal Care Audit of DHFS to include the following issues related to Therapy Services:**

Suggested areas for inquiry:

- 1) **Decrease in level of services authorized:** If prior authorizations for therapy services (Physical Therapy-PT, Occupational Therapy-OT, and Speech Language Pathology-SLP) for a group of children with similar ages and diagnoses were compared prior to 1996 and in 1999 would there be a significant increase in the number of denials for services? Modifications for services? Number of returns (for more information) on a Prior Authorization (PA) for the same services? Decrease in length of services? Are DHFS statistics reported to groups and WI legislators accurate in reflecting PA's modified? Are the above changes supported by newly published legislation, administrative rule and or consumer/provider publications that clarify the change, its rationale and appropriateness for Medicaid consumers/providers?
- 2) **Substantial increase in paperwork & process:** Does the Prior Authorization Process require cumbersome, repetitive paperwork that delays delivery of services? Are the questions asked by reviewers needed to be asked repeatedly and in an ever-expanding way in order to justify services for medically needy, disabled children who have an obvious need for these interventions? How can children, with these ongoing needs, be expected to demonstrate measurable changes for ongoing authorization in brief periods of services authorized (8-12 weeks)? Is this process a more costly, inefficient and ineffective way of managing dollars and services?

- 3) **Qualifications and consistency of reviewer process:** Does DHFS employ qualified therapist-reviewers with appropriate contemporary education and experience to provide proper clinical review of claims for children with special needs and other special populations? Do these reviewers have the background to question necessity of services recommended by physicians and specialized-providers of these services? What specific criteria and written interpretation of criteria is used in denying or modifying services deemed warranted by physicians and providers? If these criteria are available, is it being consistently applied over reviewers? Over time? Has DHFS provided clearer guidelines, training, updates, checklists and examples of acceptable formats that would be consistent among reviewers that would virtually eliminate the lengthy PA Process?
- 4) **Changes that should be subject to the Administrative Rules process:** Is DHFS changing internal interpretation of Administrative Rules over time without notice to families/providers? If so, are these changes of the nature that they should undergo the benefit of the Administrative Rule-Making Process? If not, what type of consumer/provider education has been done to insure that the new rules/interpretations can be followed without further delaying the PA process? Is the information/education specific (with acceptable examples) and timely enough to insure that providers can meet these standards for review and potentially for DHFS audit?
- 5) **Does Prior Authorization history demonstrate a trend toward shorter periods for therapy approval?:** DHFS maintains Published Guidelines indicating approvals for 1x week can be given for 52 weeks, for 2x week for 26 weeks, for 3x week for 16 weeks, yet providers experience far shorter approval periods (8-12 weeks) on even the children with complex, long standing disabilities. This change significantly increases the amount of times a provider has to provide all the documentation & supporting information for the PA process. Providers report that they often receive a PA back after multiple returns only to begin the process all over. This often results in time for the child "on hold". The interruption in therapy in conjunction with the shortened session, functionally decreases the amount of services actually provided and decreases the potential for making the very improvements the reviewers look for to justify ongoing therapy services.
- 6) **Management of denials & Parent's Rights in the appeal process:** What % of denials is reversed on administrative appeal and/or through the courts? Could some of these appeals been anticipated and the denial avoided in the first place? Are parents given adequate information they need, in a timely fashion to prepare for an appeal? Is the process reasonable for parents as consumers of Medicaid services?
- 7) **The negative impact of School-Based Services Medicaid billing:** Has the initiation of School-Based Services (SBS) Medicaid billing in 1996 resulted in an increase in denials for services for school-aged children? Does the state Medicaid Program have an inappropriate financial incentive to favor SBS over community-based services? (The billing of SBS brings in Federal Medicaid dollars to the State General Fund while billing Community-Based Services costs WI the State Percentage of Medicaid \$'s). Is the IEP Document in the schools regarded as more significant in determining a child's functional level, need for services and intervention plan in both the educational and medical/community-based environment than the legal medical documents submitted by physicians, families and community-based providers? Is that reasonable?
- 8) **Change in access to services:** Since the PA problems have escalated, are there a disproportionate number of children with special needs in WI no longer seeking medically necessary services or unable to find qualified providers who will serve them or pursue Medicaid payment for ongoing needed services? Do Medicaid Providers of therapy services for children fear audit of the DHFS due to unpublished standards for daily documentation? Does this effect access to services for WI children?

Please contact members of the survival coalition for supporting documentation/information:

Lynn Breedlove
WCA (608)267-0214

Gerry Born
Arc-Wisconsin (608) 251-9272

Lynn Steffes, PT
SURVIVAL COALITION (414)587-0374

Walker, Nola

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Thank you for your consideration of this matter.

Sincerely,

Joe Leean
Secretary



State of Wisconsin \ LEGISLATIVE AUDIT BUREAU

JANICE MUELLER
STATE AUDITOR

22 E. MIFFLIN ST., STE. 500
MADISON, WISCONSIN 53703
(608) 266-2818
FAX (608) 267-0410
Leg.Audit.Info@legis.state.wi.us

DATE: August 28, 2000

TO: Senator Gary R. George and
Representative Carol Kelso, Co-chairpersons
Joint Legislative Audit Committee

FROM: Janice Mueller *Janice Mueller*
State Auditor

SUBJECT: Proposed Audit of the Policies and Procedures Governing Prior Authorizations
under Medical Assistance—Background Information

At your request, we have gathered some background information the Joint Legislative Audit Committee may find useful in considering a request from Senator Rodney Moen regarding personal care services. Letters in support of the initial request have been submitted by Senators Burke, Lazich, and Rosenzweig, as well as by Representatives Hoven and Turner. These letters have requested the Joint Legislative Audit Committee consider an audit of the Department of Health and Family Services' policies and procedures governing the determination of prior authorization under Medical Assistance. In addition, Secretary Leeann has recently requested the Joint Legislative Audit Committee direct the Audit Bureau to review the policies and procedures the Department uses to audit Medical Assistance providers.

Prior authorization is the process by which the Department's written approval is required before the provision of certain services under Medical Assistance. It is intended to:

- provide safeguards against unnecessary or inappropriate care and services;
- provide a means of assessing the quality and timeliness of services;
- promote the effective and appropriate use of available services and facilities;
- allow for a determination of whether less expensive services are available and appropriate; and
- curtail fraud and abuse in the Medical Assistance program.

Providers are required to obtain prior authorization for certain specified services before they may be delivered, such as personal care, physical and occupational therapy, and some types of physician services. Payments for services requiring prior authorization are made only if such authorization is approved by qualified medical professionals and staff according to criteria established by the Department and if the service is performed between the dates indicated on the prior authorization request form. Generally, authorizations are valid for up to one year unless the authorization specifies a more limited time period.

In July 2000, the Wisconsin Medical Assistance Program provided coverage to approximately 481,000 recipients, including the elderly and persons with disabilities. In fiscal year (FY) 2000-2001, \$2.8 billion was budgeted for the program, of which \$984 million was general purpose revenue. The Department reports approving approximately 94 percent of the 225,000 prior authorization requests received annually.

Numerous concerns have been raised about the Department's prior authorization and adjudication policies and practices related to non-institutional health care services. In particular, some believe that the Department has not adequately defined the prior authorization review criteria it uses in making its determinations, has delayed processing of prior authorization requests, and has increased its regulatory focus in an effort to reduce costs for the Medical Assistance program.

An audit of prior authorization under Medical Assistance could:

- analyze trends in the number of denials, modifications, and requests for additional information for prior authorizations associated with physical, occupational, and speech therapy services for children;
- ascertain the criteria used to approve, deny, or seek modification to a prior authorization request and assess the consistency with which these criteria have been applied to personal care, and other service providers;
- assess the Department's timeliness in processing prior authorization requests;
- review trends in the length of time for which prior authorization approvals are valid;
- review the consistency of the Department's policies and procedures with federal laws and regulations, state statutes, and administrative rules; and
- review the criteria and procedures the Department uses to conduct audits of providers.

If you have any additional questions regarding this request, please contact me.

JM/PS/bm

cc: Senator Judith Robson
Senator Brian Burke
Senator Peggy Rosenzweig
Senator Mary Lazich

Representative Steven Nass
Representative John Gard
Representative Robert Ziegelbauer
Representative David Cullen

Senator Rodney Moen
Representative Timothy Hoven
Representative Robert Turner

Joe Llean, Secretary
Department of Health and Family Services



State of Wisconsin
Department of Health and Family Services

Tommy G. Thompson, Governor
Joe Leraan, Secretary

August 30, 2000

The Honorable Gary R. George, Co-Chair
Joint Legislative Audit Committee
Room 118 South, State Capitol
Madison, WI 53702

The Honorable Carol Kelso, Co-Chair
Joint Legislative Audit Committee
Room 16 West, State Capitol
Madison, WI 53702

Dear Senator George and Representative Kelso:

Enclosed please find some background information on this department's policies and procedures governing the administration of prior authorization under Medical Assistance for therapy services for children.

It is my understanding that these services may be a focus of audit interest, and if so, this information might prove useful.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Leraan". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Joe Leraan
Secretary

cc: Janice Mueller
State Auditor

LAB Audit

Medicaid Prior Authorization for Therapy Services for Children

Issue

Medicaid prior authorization (PA) is being criticized for impeding access to therapy services for children. Specifically, criticisms are:

- increasing denials and requests for modifications in PAs.
- inconsistent or unclear criteria.
- delays in processing PAs.
- decreasing length of time PAs are valid.
- inconsistent decision-making by Medicaid consultants.

In addition, there are concerns regarding:

- consistency of Wisconsin Medicaid policy with state and federal law and regulations.
- overall criteria for conducting provider audits.

Key Points on PA for Children's Therapy Services

1. Wisconsin Medicaid receives approximately 200,000 PA requests per year, representing 4 percent of services covered. Of the total PA requests processed in 1999, 6,581 PAs were for therapy services for children. Medicaid prior authorization for therapy services affects children who are in fee-for-service provider arrangements. These children are, for the most part, disabled.
2. Medicaid is spending more, not less, on fee-for-service therapy services for children. In addition, more therapy services are being covered now than ever.

Table 1
Children's Therapies Caseload and Costs

Therapy Services Billed By:	SFY 97		SFY 98		SFY 99	
	Children	\$	Children	\$	Children	\$
Therapists	5,983	\$10.0 mn.	5,469	\$9.3 mn.	5,241	\$9.0 mn.
Schools	7,982	\$1.9 mn.	13,200	\$5.3 mn.	14,526	\$7.5 mn.

3. Medicaid PAs for children's therapies show increasing, not decreasing, rates of approvals (see Table 2). Rates of modifications are increasing slightly for physical and speech therapy, but not for occupational therapy (see Table 3).
4. Medicaid policy is outlined in statute, Administrative Code, provider updates, and PA guidelines -- all open records and available to the public. In addition, Wisconsin Medicaid is working to expand understanding of PA policy for children's therapies through:

- Creation of and quarterly meetings with the Medicaid Home Care Advisory Committee (providers and consumers) and the Consumer Advisory Committee (including parents of disabled children).
 - Quarterly meetings with three therapy provider associations.
 - Numerous provider trainings, written updates, new all-provider handbook (available in print or on DHFS web site).
 - Identification of providers with high levels of claim denials or PA delays, and follow-up telephone calls, and site visits, if necessary.
5. PAs are processing as quickly as ever. PA turnaround time for the State averages 5.4 days (not including mailing time), with the highest service area averaging 7.7 days. Even if a PA were returned twice (once for clerical error[s] and once for additional clinical documentation), no PA should take more than a month to finally adjudicate.

Additionally:

- 70 percent of PA returns are for basic information about recipients and providers.
 - Delays are most often caused by providers, but families cannot see this.
6. There is no evidence that the length of time for which services are approved is decreasing. However, there is closer scrutiny of providers' documentation.
- In therapies, Wisconsin Administrative Code limits PA approval to a maximum of six months. This is consistent with therapy practice standards.
 - PAs will be approved for longest time possible, as supported by the provider's documentation.
 - After the initial PA, every effort is made to assure PA approvals result in no interruption of service (except where the provider requests it).
7. The PA process has been re-engineered over the last two years to assure more consistent decision-making:
- Consultants use checklists to assure consistent and complete reviews and comments.
 - All denial recommendations are reviewed by a second consultant, and the Chief Medical Officer, before a final decision to deny is made.
 - The number and percent of appeals that are overturned is decreasing. (See Table 4.)
8. Wisconsin Medicaid policy for therapies is extremely comprehensive and broad:
- All therapy services are optional under federal Medicaid regulations.
 - Most state Medicaid programs cover therapies, but with prior authorization or other service limitations.
 - Wisconsin Medicaid coverage is more generous than most private health insurance.

Table 2

PA Therapy Rates - Children (under 21)

	Approved	% Approved	Modified	% Modified	Denied	% Denied	Total
1997	5,689	89	248	4	477	7	6,414
1998	5,649	90	294	5	349	6	6,292
1999	5,984	91	283	4	314	5	6,581
	17,322		825		1,140		19,287

Table 3**PA Therapy Rates - Children (under 21)****Occupational Therapy**

	Approved	% Approved	Modified	% Modified	Denied	% Denied	Total
1997	2,005	90	130	6	100	4	2,235
1998	2,045	91	85	4	106	5	2,236
1999	2,000	92	69	3	107	5	2,176
	6,050		284		313		6,647

Physical Therapy

	Approved	% Approved	Modified	% Modified	Denied	% Denied	Total
1997	1,580	91	90	5	61	4	1,731
1998	1,634	89	139	8	54	3	1,827
1999	2,026	92	140	6	47	2	2,213
	5,240		369		162		5,771

Speech Therapy

	Approved	% Approved	Modified	% Modified	Denied	% Denied	Total
1997	2,104	86	28	1	316	13	2,448
1998	1,970	88	70	3	189	8	2,229
1999	1,958	89	74	3	160	7	2,192
	6,032		172		665		6,869

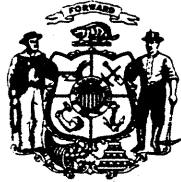
TABLE 4

PRIOR AUTHORIZATION APPEALS 1997-1999

	1997	%	1998	%	1999	%
TOTAL APPEALS	562		538		477	
OVERTURNED APPEALS	87	15%	65	12%	50	10%

PRIOR AUTHORIZATION THERAPY APPEALS 1997-1999

	1997	%	1998	%	1999	%
TOTAL THERAPY APPEALS	190		175		147	
THERAPY APPEALS OVERTURNED	42	22%	30	17%	24	16%



Judith B. Robson

Wisconsin State Senator

October 18, 2000

Ms. Janice Mueller, State Auditor
Wisconsin Legislative Audit Bureau
22 E. Mifflin Street, Suite 500
Madison, WI 53703

Dear Ms. Mueller:

I have recently learned of problems relating to acquiring prior authorization for brand-name prescription medications under the state Medicaid program. These problems cause great inconvenience for the people who are enrolled in the program and are unable to obtain the medications their doctors prescribe.

Mr. Shannon Gunn, one of my constituents from Beloit, contacted my office in July of this year because of a recurrence of problems he previously encountered in 1999 trying to obtain a prescription medication for his wife, Fern Gunn. Mrs. Gunn's doctor had prescribed Valium and Darvocet, and specified she receive the brand-name prescription medications.

Since at least October of 1999 Mr. Gunn has continually run into complications in the course of trying to fill prescriptions of his wife's medications. First, the pharmacist did not understand that doctors must write "brand name medically necessary" only on a new prescription. After my office clarified that the phrase must be in writing on the original prescription but is not necessary for refills, Mr. Gunn's wife was able to obtain the Darvocet the doctor had ordered for her. However, Valium requires a prior authorization on file with Medicaid before it is made available to a recipient. As you know, this means the pharmacist must supply the paperwork to the Department, and the authorization must be processed, before the recipient can access the medication.

Mr. Gunn's pharmacist went through this process; however, the prior authorization was only issued for a one-month period. Due to the length of time it took to process it, the prior authorization was actually only in effect for a period of 22 days. When the time came to refill the Valium for Mrs. Gunn, *the entire process had to be repeated*. The pharmacist's explanation for this was that the original prescription was only written for one month. According to Rita Hallett of the state Bureau of Health Care Finance, the pharmacist could have requested the prior authorization for a six-month period of time for a controlled substance, but did not.

Mr. Gunn called my office again on September 18th of this year. My staff again contacted Rita Hallett, who explained that the pharmacist had to file for an amendment to the prior authorization. My staff then contacted EDS to check on the status of the process, and was told that "Sally," an independent reviewer, would call back the next day, September 20th. EDS refused to supply my staff with Sally's telephone number. Sally never called. On September 27th, my staff contacted Ms. Hallett, who said she would ask state pharmacist Roma Rowlands to call EDS and ask them to expedite the prior authorization for Mrs. Gunn.

15 South, State Capitol, Post Office Box 7882, Madison, WI 53707-7882 • Telephone (608) 266-2253

District Address: 2411 East Ridge Road, Beloit, WI 53511

Toll-free 1-800-334-1468 • E-Mail: sen.robson@legis.state.wi.us

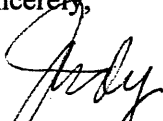
♻️ Printed on recycled paper.

On October 9th our office was notified that the prior authorization had been approved. However, because of the length of the time the process took, Mr. Gunn had by this time given up and paid for the prescription himself. According to Ms. Hallett, the pharmacist must now bill Medicaid and in turn reimburse Mr. Gunn for the Valium. I do not know how long it will be before Mr. Gunn receives the reimbursement.

It appears to me that the Department has too little oversight on the prior authorization process when dealing with EDS. The referral to an independent consultant for review of EDS' decisions further delays the approval process. It also appears that the Department should better educate pharmacists about the prior authorization requirements.

I raise this issue in light of the state audit regarding prior authorization for Medical Assistance. I would appreciate your attention to these issues.

Sincerely,



Senator Judith B. Robson
15th Senate District

JBR:mg

cc: ✓ Senator Gary George, Cochair
Representative Carol Kelso, Cochair
Joint Legislative Audit Committee

Mrs. and Mrs. Shannon Gunn
2060 Gorton Street
Beloit, WI 53511



ROBERT TURNER

STATE REPRESENTATIVE

MADISON:
P.O. Box 8953
Madison, WI 53708
608-266-0731
FAX: 608-266-7038

TOLLFREE: 1-888-529-0061
EMAIL: Rep.Turner@legis.state.wi.us

August 16, 2000

Representative Carol Kelso, Co-Chairperson
Joint Committee on Audit
Room 16 West Capitol
Madison, WI 53702

Dear Representative Kelso:

As you may know, during the 1999 Session of the Legislature I had requested that an audit be performed of the Department of Health and Family Services' Bureau of Health Care Financing. Specifically, I had asked that the Bureau's prior authorization procedures for children with long-term disabilities be examined. A copy of my letter, dated December 29, 1998, is enclosed for your review.

In following up on my request just last week, I was surprised to learn from your office that a possible review of the prior authorization process is pending, and may be considered at a meeting of the Audit Committee scheduled for the end of this month. I was also informed that the prior authorization audit was being considered at the request of "other legislators," and that my original request, which was never formally acknowledged by you, was not among those at hand.

In the early months of 1999, subsequent to my letter, I had my staff contact your office on several occasions, and was informed by your staff that my request was not a priority. Frankly, I am troubled about the lack of professional courtesy that you have exhibited and am curious as to whether you routinely acknowledge other legislators' audit requests. If I had not followed up, would I have ever been informed about the Committee's plans for this audit?

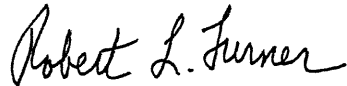
Although I am encouraged to know that this problem may finally see a resolution, I am dismayed that it has taken this long for the problem to be recognized, especially given my letter to you at the end of 1998.

I look forward to hearing from you about your committee's protocols, as well as hearing some background on the other requests for the prior authorization audit and the status of the committee's plans to pursue it.

Rep. Carol Kelso, Co-Chairperson
August 16, 2000
Page 2

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Robert L. Turner".

Robert L. Turner
STATE REPRESENTATIVE

RLT/nam
Enclosure

Cc: Senator Gary George
Speaker Scott Jensen
Senator Charles Chvala
Representative Shirley Krug

**ROBERT
TURNER**

STATE REPRESENTATIVE

COPY

MADISON:
P.O. Box 8953
Madison, WI 53708
608-266-0731
FAX:
1-608-266-7038
LEGISLATIVE HOTLINE:
1-800-362-9472

December 29, 1998

Representative Carol Kelso, Co-Chairperson
Joint Committee on Audit
Room 16 West Capitol
Madison, WI 53702

Senator Gary George, Co-Chairperson
Joint Committee on Audit
Room 118 South Capitol
Madison, WI 53702

Dear Representative Kelso:

I am writing to request that the Legislature's Joint Committee on Audit consider recommending an audit of the Department of Health and Family Services' Bureau of Health Care Finance. Specifically, a situation regarding the Bureau's practices with respect to prior authorizations for Medical Assistance therapy services for children with long-term disabilities has been brought to my attention. Because these questions persist, (it has been two years since I was first notified of these concerns), I feel the matter to be deserving of the Committee's scrutiny.

According to Mary Ann Maiers, Director of Medical Support Services in Racine, the Bureau is responsible for what she terms "unprecedented denials" of Medical Assistance authorization for physical, occupational and speech therapy for disabled children. These denials have most frequently been made on the basis of a "lack of medical necessity" due to the availability of these therapies in public schools.

Due to the number of complaints which were received on this issue, the Wisconsin Council on Developmental Disabilities conducted a one year investigation into the Medical Assistance program in regards to its authorizations for coverage of these therapy services. The results of that study are enclosed, along with Ms. Maiers' December 7th letter to me.

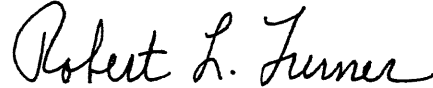
I have also enclosed the body of correspondence I have received from Ms. Maiers' on this subject over the past two years, which I hope you will find useful as background to this situation.

Member: Assembly Committees on Highways and Transportation, Ways and Means,
Labor and Employment, State Building Commission

Representative Carol Kelso, Co-Chairperson
December 29, 1998
Page 2

Please give this matter your serious and careful attention. I will look forward to hearing from you, and if there is any additional information you require, do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Robert L. Turner". The signature is written in dark ink and is positioned above the printed name.

Robert L. Turner
STATE REPRESENTATIVE

RLT/nam
Enclosures

MAIL TO:
 E.D.S. FEDERAL CORPORATION
 PRIOR AUTHORIZATION UNIT
 6406 BRIDGE ROAD
 SUITE 88
 MADISON, WI 53784-0088

PRIOR AUTHORIZATION REQUEST FORM

1 PROCESSING TYPE

PA/RF (DO NOT WRITE IN THIS SPACE)

112

ICN #
 AT #
 P.A. # 0984210

RECIPIENT'S MEDICAL ASSISTANCE ID NUMBER [REDACTED] 4 RECIPIENT ADDRESS (STREET, CITY, STATE, ZIP CODE) [REDACTED]

RECIPIENT'S NAME (LAST, FIRST, MIDDLE INITIAL) [REDACTED]

DATE OF BIRTH [REDACTED] 6 SEX M F 8 BILLING PROVIDER TELEPHONE NUMBER (414) 529-4141

BILLING PROVIDER NAME, ADDRESS, ZIP CODE:
 MJ Care For Kids
 11035 W. Forest Home Avenue
 Suite 102
 Hales Corners, WI 53130

9 BILLING PROVIDER NO. 41808300
 10 DX: PRIMARY HEMIPLEGIA (342.9)
 11 DX: SECONDARY
 12 START DATE OF SOI:
 13 FIRST DATE RX:

PROCEDURE CODE	15 MOD	16 POS	17 TOS	18 DESCRIPTION OF SERVICE	19 QR	20 CHARGES
97110	OT	3	9	THER EX	52	\$ 5,460.00
97112	OT	3	9	NEURO MUSCULAR	52	\$ 5,460.00
97250	OT	3	9	MYOFASCIAL	52	\$ 5,460.00
97535	OT	3	9	ADL SELF-CARE	52	\$ 5,460.00

22. An approved authorization does not guarantee payment. Reimbursement is contingent upon eligibility of the recipient and provider at the time the service is provided and the completeness of the claim information. Payment will not be made for services initiated prior to approval or after authorization expiration date. Reimbursement will be in accordance with Wisconsin Medical Assistance Program payment methodology and Policy. If the recipient is enrolled in a Medical Assistance HMO at the time a prior authorized service is provided, WMAP reimbursement will be allowed only if the service is not covered by the HMO.

Request beginning Date of 3-30-98

Maximum time Biller Per Session is 45 Min.

TOTAL CHARGE \$ 21,840.00

23 3/10/98 DATE 24 T. J. Clark OTR REQUESTING PROVIDER SIGNATURE

(DO NOT WRITE IN THIS SPACE)

AUTHORIZATION:

- APPROVED
- MODIFIED
- DENIED
- RETURN

REASON:
 REASON:
 REASON:

03-30-98 GRANT DATE 07-26-98 EXPIRATION DATE
 PROCEDURE(S) AUTHORIZED 97110 97112 97250 97535
 QUANTITY AUTHORIZED 17 sessions

4 mos max per POC
 Please get written tx coord prior to 6-98.

AGI Please explain why skilled OT is needed to carryover toothbrushing, fasteners, etc? are there any other medically necessary goals where an OT is required on a weekly basis?
 B. Lindem, MA, OTR
 03-18-98

04-05-98 DATE
 Barbara Lindem, MA, OTR CONSULTANT/ANALYST SIGNATURE

MAIL TO:
 E.D.S. FEDERAL CORPORATION
 PRIOR AUTHORIZATION UNIT
 6406 BRIDGE ROAD
 SUITE 88
 MADISON, WI 53784-0088

PRIOR AUTHORIZATION REQUEST FORM 3 9 3 1 0 2 5

1 PROCESSING TYPE

PA/RF (DO NOT WRITE IN THIS SPACE)

ICON #
 A.T. # T
 P.A. # 1089256

1 0 1 5
 1 1 1

RECIPIENT'S MEDICAL ASSISTANCE ID NUMBER [REDACTED] 4 RECIPIENT ADDRESS (STREET, CITY, STATE, ZIP CODE) [REDACTED]

RECIPIENT'S NAME (LAST, FIRST, MIDDLE INITIAL) [REDACTED]

DATE OF BIRTH 10-11-86 6 SEX M F 8 BILLING PROVIDER TELEPHONE NUMBER (414) 539-4141

BILLING PROVIDER NAME, ADDRESS, ZIP CODE:
 240
 MJ Care For Kids
 11035 W. Forest Home Avenue
 Suite 102
 Hales Corners, WI 53130

9 BILLING PROVIDER NO. 41808300
 10 DX: PRIMARY ABNORMAL POSTURE (781.9)
 GENERALIZED WEAKNESS (780.7)
 (P 343.1)
 11 DX: SECONDARY DYSTONIA (781.0)
 ABNORMAL GAIT NEURO (781.2)
 12 START DATE OF SOI:
 13 FIRST DATE RX:

PROCEDURE CODE	15 MOD	16 POS	17 TOS	18 DESCRIPTION OF SERVICE	19 QR	20 CHARGES
97001	PT	3	9	EVALUATION	1	\$ 140.00
97113	PT	3	9	AQUATICS	26	\$ 2,730.00

21 TOTAL CHARGE \$ 2870.00

22 An approved authorization does not guarantee payment. Reimbursement is contingent upon eligibility of the recipient and provider at the time the service is provided and the completeness of the claim information. Payment will not be made for services initiated prior to approval or after authorization expiration date. Reimbursement will be in accordance with Wisconsin Medical Assistance Program payment methodology and Policy. If the recipient is enrolled in a Medical Assistance HMO at the time a prior authorized service is provided, WMAP reimbursement will be allowed only if the service is not covered by the HMO.

23 DATE 12-1-98 24 REQUESTING PROVIDER SIGNATURE *May DeLeon P.T.*

AUTHORIZATION: (DO NOT WRITE IN THIS SPACE) PROCEDURE(S) AUTHORIZED 97001, 97113 QUANTITY AUTHORIZED 1, 26

APPROVED GRANT DATE 12/01/98 EXPIRATION DATE 082599
 MODIFIED REASON: A19 What goals are being worked on via St. Francis rehab clinic? (2) What are anticipated functional outcomes of goals?
 DENIED REASON:
 RETURN REASON: A19 Copy GIEP, MTEmp, coordination plan & school and any other info. I need PT therapy services provided?!

Handwritten notes and signatures at the bottom of the page.

MAIL TO:
 EDS FEDERAL CORPORATION
 PRIOR AUTHORIZATION UNIT
 6406 BRIDGE ROAD
 SUITE 88
 MADISON, WI 53784-0088

PRIOR AUTHORIZATION REQUEST FORM
 PA/RF (DO NOT WRITE IN THIS SPACE)
 ICN ~~921999013812007~~
 A.T. #
 P.A. # 1089262

1. Complete this form
 1 PROCESSING TYPE
 2. Attach to PA/RF
 3. Mail to EDS
 112
 264900013

RECIPIENT'S MEDICAL ASSISTANCE ID NUMBER
 4 RECIPIENT ADDRESS (STREET, CITY, STATE, ZIP CODE)
 RECIPIENT'S NAME (LAST, FIRST, MIDDLE INITIAL)
 DATE OF BIRTH
 6 SEX: M F
 8 BILLING PROVIDER TELEPHONE NUMBER: (414) 529-4141
 BILLING PROVIDER NAME, ADDRESS, ZIP CODE: MJ Care For Kids, 11035 W. Forest Home Avenue, Suite 102, Hales Corners, WI 53130
 9 BILLING PROVIDER NO.: 71808300
 10 DX: PRIMARY: Hemiplegia (342.9)
 11 DX: SECONDARY
 12 START DATE OF SOL
 13 FIRST DATE RX:

AMENDMENT ADJUDICATION FORM ICN: 264900013

PA No.: 1089262 Recipient Name: Niedzweicki, Jaime MA No.: 3939652660
 Adj. Date: 9-28-99 Signature/Initial: C. Christensen OTR BHCf: Appeal Phone Mail

PROCEDURE CODE	DESCRIPTION of CHANGES	DATE of SERVICE	TOTAL QUANTITY	DECISION CODE	POS CODE
97250	procedure exp 2-28-99	1-25-99 → 2-28-99	5	A	
97140	effective 3-1-99	3-1-99 → 5-23-99	12		
97110 97112	all other procedures remain	1-25-99 →			
97535	the same	5-23-99	(17)		

Decision Codes : Approved (A) : Modified 10-day (M10) : Modified 45-day (M45) : Denied 10-day (D10), Denied 45-day (D45) or Returned (R)
 COMMENTS:

23 7/11/99 DATE 24 [Signature] REQUESTING PROVIDER SIGNATURE

AUTHORIZATION: (DO NOT WRITE IN THIS SPACE)

APPROVED MODIFIED DENIED RETURN

GRANT DATE: 1-25-99 EXPIRATION DATE: 5-23-99

PROCEDURE(S) AUTHORIZED: 97110, 97112, 97250, 97535
 QUANTITY AUTHORIZED: 1X 17 WKS - 17 sessions

REASON: # of wks left to Review home carry over program. 1 to 2x wk is not medically necessary per documentation. Amended 9-28-99

handmade appeal Jaime's ability to... Carol Christensen OTR

U.S. FEDERAL CORPORATION
 PRIOR AUTHORIZATION UNIT
 6408 BRIDGE ROAD
 SUITE 88
 MADISON, WI 53784-0088

PA/RF (DO NOT WRITE IN THIS SPACE)

ICN # _____
 A.T. # _____
 P.A. # 1172209 5/24

112

RECIPIENT'S MEDICAL ASSISTANCE ID NUMBER _____ 4 RECIPIENT ADDRESS (STREET, CITY, STATE, ZIP CODE) _____

RECIPIENT'S NAME (LAST, FIRST, MIDDLE INITIAL) _____

DATE OF BIRTH _____ 6 SEX M F 8 BILLING PROVIDER TELEPHONE NUMBER (414) 529-4141

BILLING PROVIDER NAME, ADDRESS, ZIP CODE:
 MJ Care For Kids
 11035 W. Forest Home Avenue
 Suite 102
 Hales Corners, WI 53130

9 BILLING PROVIDER NO. 41809300
 10 DX: PRIMARY: CP (343.1)
 Hemiplegia (343.9)
 11 DX: SECONDARY _____
 12 START DATE OF SOI: _____ 13 FIRST DATE RX: _____

4 PROCEDURE CODE	15 MOD	16 POS	17 TOS	18 DESCRIPTION OF SERVICE	19 QR	20 CHARGES
97110	OT	3	9	ther ap	26	\$ 2,730.00
97535	OT	3	9	ADL/SELF Care	26	\$ 2,730.00
97140	OT	3	9	Manual therapy	26	\$ 2,730.00
Maximum time Billing Per session is 45 min.						
Request for extension of date on 5-24-99						
						TOTAL CHARGE \$ 8190.00

22. An approved authorization does not guarantee payment. Reimbursement is contingent upon eligibility of the recipient and provider at the time the service is provided and the completeness of the claim information. Payment will not be made for services initiated prior to approval or after authorization expiration date. Reimbursement will be in accordance with Wisconsin Medical Assistance Program payment methodology and Policy. If the recipient is enrolled in a Medical Assistance HMO at the time a prior authorized service is provided, WMAP reimbursement will be allowed only if the service is not covered by the HMO.

23 5-17-99 DATE 24 *Debra C. Roachmen* REQUESTING PROVIDER SIGNATURE

(DO NOT WRITE IN THIS SPACE)

AUTHORIZATION: APPROVED MODIFIED DENIED RETURN

GRANT DATE: 5-24-99 EXPIRATION DATE: 9-19-99

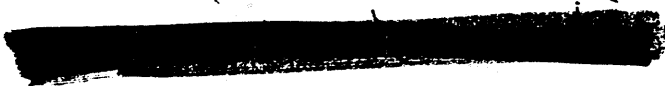
PROCEDURE(S) AUTHORIZED: 97110, 97535, 97140 } 17

QUANTITY AUTHORIZED: 1 x 17 = 17 sessions

REASON: A61 - please submit home carry-over program. Per last request. Please outline a typical tx session. Please address specific long-term goals. Thanks C Christensen on 5.3.99

6-19-99 DATE Debra C. Roachmen CONSULTANT/ANALYST SIGNATURE

PA# 1172246



C. Christensen,

VE control and trunk stability continue to be addressed to improve daily functional skills. VE control affects ostomy care performance. Jamie can empty ostomy bag while seated on toilet, however, concerns remain with cleanliness. Jamie tends to perform task quickly causing contents of bag to splash onto clothing and at time mess toilet area, Jamie does receive assistance at school with toileting. she does practice independence at home, but mother is concerned with overall performance especially when not at home.

Following discussion with Jamie mother a new plan of care revision of STG IAB+C is felt to be more appropriate.

- 1a. will show improved VE control to pour content of ostomy bag without soiling clothing or toilet area 3 of 4 trials.
- B. will thoroughly clean edge of bag using toilet paper prior to reclamping ostomy bag needing verbal cues only.

Adeline Kowalski
1-3-00

MAIL TO:
 E.D.S. FEDERAL CORPORATION
 PRIOR AUTHORIZATION UNIT
 6403 BRIDGE ROAD
 SUITE 88
 MADISON, WI 53784-0088

PA/RF (DO NOT WRITE IN THIS SPACE)
 ICN # _____
 A.T. # _____
 P.A. # **1172246**

112

RECIPIENT'S MEDICAL ASSISTANCE ID NUMBER

RECIPIENT ADDRESS (STREET, CITY, STATE, ZIP CODE)

RECIPIENT'S NAME (LAST, FIRST, MIDDLE INITIAL)

[REDACTED]

DATE OF BIRTH 10/11/86

SEX M F

8 BILLING PROVIDER TELEPHONE NUMBER
(414) 539-4141

BILLING PROVIDER NAME, ADDRESS, ZIP CODE:

9 BILLING PROVIDER NO.
41808300

MJ Care For Kids
11035 W. Forest Home Avenue
Suite 102
Hales Corners, WI 53130

10 DX: PRIMARY CD (343.1)
Herpetic (342.9)
 11 DX: SECONDARY

12 START DATE OF SOI: _____ 13 FIRST DATE RX: _____

PROCEDURE CODE	15 MOD	16 POS	17 TOS	18 DESCRIPTION OF SERVICE	19 QR	20 CHARGES
97110	OT	3	2	Ther Ex	36	\$ 2,730.00
97140	OT	3	2	Manual Therapy	36	\$ 2,730.00
97535	OT	3	2	ADL/Self Care	36	\$ 2,730.00

Maximum time Billed Per Session is 45 min.
 Total Charge \$ 8,190.00

2. An approved authorization does not guarantee payment. Reimbursement is contingent upon eligibility of the recipient and provider at the time the service is provided and the completeness of the claim information. Payment will not be made for services initiated prior to approval or after authorization expiration date. Reimbursement will be in accordance with Wisconsin Medical Assistance Program payment methodology and Policy. If the recipient is enrolled in a Medical Assistance HMO at the time a prior authorized service is provided, WMAP reimbursement will be allowed only if the service is not covered by the HMO.

23 12-6-99
 DATE

24 Adelme Dawson OTK
 REQUESTING PROVIDER SIGNATURE

(DO NOT WRITE IN THIS SPACE)

AUTHORIZATION: OT

12-13-99
 GRANT DATE

03-05-00
 EXPIRATION DATE

PROCEDURE(S) AUTHORIZED: 97110, 97140, 97535
 QUANTITY AUTHORIZED: 1x12wks

APPROVED

MODIFIED

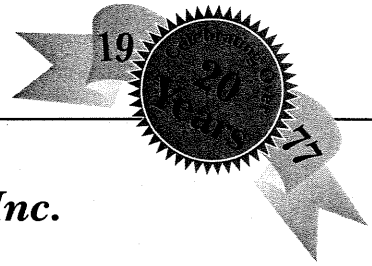
DENIED

RETURN

REASON: If PA. again, submit notes of each tx session - home suggestions (date/center).

REASON: A19- please address how skills are being generalized. If @ ileostomy bag in sit and pouring & resting on cup. Why is doing skill in standing and not resting contains important. It appears if recip can be @ by modifying the performance of task, that this should be sufficient at this age & with this dx. Please respond.

DATE: 01-17-00 Carol Christopher OTK
 CONSULTANT/ANALYST SIGNATURE: Carol Christopher OTK



**COMMENTS FOR THE JOINT LEGISLATIVE AUDIT COMMITTEE HEARING
REGARDING MEDICAL ASSISTANCE PRIOR AUTHORIZATIONS, 8/31/00**

My name is Jerry Styberg. I live in Wauwatosa and am a constituent of Senator Rosenzweig.

I have been involved in programs for children and families with special health care needs as a planner and administrator for the past fifteen years. I am the division manager for clinics and school-based services for MJ Care, a private rehabilitation agency based in Milwaukee. Among our pediatric programs we have provided therapy services for ten years at our outpatient clinic in Hales Corners. Over the past several years, particularly since 1996, our clinic therapists have experienced progressively greater difficulties in dealing with the state Medicaid program.

I will enumerate some examples:

- We have seen increases in amendments to Prior Authorizations for clinical treatment. Decisions made by reviewers are often contrary to the recommendations made by our trained, licensed and experienced pediatric therapists
- Prior Authorizations are repeatedly sent back, with reviewers frequently requesting information already included in a prior submission. This is frustrating and demoralizing to staff and delays services to children
- Our therapists frequently experience excessive requests for information, above and beyond published requirements
- Reviewers frequently question the legitimacy of parent goals, which have been reviewed and confirmed by our therapists as essential to the child's treatment plan
- There is a lack of timeliness in the re-authorization process: the treating clinician cannot submit for re-authorization more than 3 weeks prior to the expiration of the PA; the reviewers take 1-2 months to re-authorize. In the mean time, therapy must put on hold, since the clinic has no assurance of payment until the authorization is received. This causes disruption in needed service and typically a decline in the function of the child

I have included an exhibit of paper work for a single case example of a patient which we have treated at our clinic as an illustration of the points made.

This patient, a 13 year old female, has had her services disrupted numerous times when reviewers questioned the legitimacy of the treating therapist's care plan. Each time care was suspended the child regressed in functional gains made in previous therapy, causing unnecessary frustration for the child and her parents and the trained, licensed and highly experienced therapists who treated her.

This child, with multiple diagnoses, requires the therapy indicated at this stage in her life in order to give her the foundation she will need to successfully navigate through her adult life. The benefits of early intervention are now documented in the professional literature. In the best interests of the child, the process of professional therapeutic intervention should not be interrupted or second-guessed by arbitrary and capricious actions of state reviewers whose processes interrupt the care needed by these children.

The current attitude and practice, which prevails regarding authorization for care, is one which is demoralizing to our staff and which trend has caused many therapists to leave practice in the outpatient clinic setting. Families are upset with the disruption in service and therapists are the ones who must communicate Medicaid reviewers' decisions and delays to families. Functional declines are seen in patients when treatment is put on hold. Unnecessary stress is placed on clinicians in writing the requests for authorization because the outcome of the process is unpredictable.

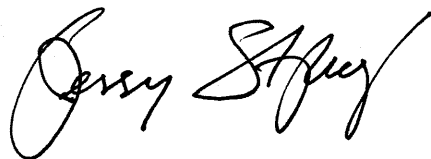
We will continue to advocate for the treatment, which is medically necessary for the functional improvement of children who come to us for therapy services. We will continually back families' goals for their children, and we will respond to denials by following established appeals processes.

We are asking for a legislative audit of the Wisconsin Department of Health and Family Services on this issue. We believe that an audit will bring the problems of which we speak into clear focus, and can offer solutions, which are long overdue.

This issue is very important to so many families throughout our state and to the many pediatric therapy specialists who have dedicated their careers to helping children with special needs.

We, in turn, will make ourselves available, as needed to elaborate on our concerns and to offer constructive solutions.

I thank you for your concern and for your support.



Jerome C. Styberg
VP - Clinics & School-Based Services
MJ Care, Inc.

JCS/gw

Enclosure



August 29,2000

Senator Gary George, Co-Chairperson
Joint Committee on Audit
Room 118 South Capitol
P.O. Box 7882
Madison, WI 53707

Dear Senator George:

I submit to you my testimony and urge that you proceed with a comprehensive legislative audit of the prior authorization process of the Bureau of Health Care Financing in the Department of Health and Family Services (DHFS). Over the past four years I have witnessed the department's conscious and deliberate attempts to eliminate what they term "outside service" or free standing private outpatient therapy services for children with disabilities.

Starting in July of 1996, our agency saw a sudden change in the bureau's treatment of therapy prior authorization requests. Our requests for speech therapy services for Down Syndrome and Autistic children ages three and over were all being denied. As owner and director of our therapy agency I surveyed over twenty providers in similar settings all across Wisconsin. The response was unanimous. Without any prior notification of a change in the bureau's policy or rules, an unprecedented pattern of denials had occurred.

In a meeting I had in Madison on January 8,1997 at the Bureau with Alan White DHFS, Marilyn Howe DHFS, and Carla Butterfield speech pathology prior authorization reviewer; Ms Butterfield stated in the heat of our discussion that "they told me to deny services so I did".

Indeed the sudden onset of speech therapy denials and the consistent pattern of returned authorizations with questions in occupational therapy, suggested either a legislative or administrative change.

I contacted of my legislators including:

Senator Kim Plache
Senator Robert W. Wirth
Representative Robert Turner
Representative Bonnie Ladwig
Representative John Lehman

all of whom have told me there has been no legislative action which would cause a change in this program.

On January 20, 1997 I invited providers in similar settings to attend a meeting I held in a hotel in Milwaukee. Over thirty providers attended that meeting. No one there could find any federal or legislative change which would affect this program. Some providers predicted they would have to refuse to take children with MA as patients or close their practice.

Our agency persists although nearly all speech therapy authorization for children age three and over are denied. A good percentage of these are overturned by hearing officers. Our occupational therapists have more than doubled their paper work in attempt to repeat their answers to questions asked by reviewers. Our agency has suffered considerable financial loss due to the extreme delays in decisions on authorizations. Numerous children in need of rehabilitation therapy have been denied services. Parents have been told that they haven't any rights to choose their provider. Hospitals and schools are not burdened with the prior authorization process although they are allowed to bill Medical Assistance for therapy services. The Bureau has argued that autistic children's speech therapy needs are being met in the Loovas Behavior Modification Program although the providing therapist in that program are not licensed by the state to provide speech therapy.

The following is a brief summary of our current status on prior authorizations:

	% Denials	% Returned for Questions	Average Processing Time
Speech Therapy	80%	5%	1 month
Occupational Therapy	10%	90%	2 ½ - 3 months
Physical Therapy	2%	20%	1 ½ months

Thank you for your consideration.

Sincerely,



Mary Ann Maiers, M.S., C.C.C., slp
Director
Medical Support Services, Inc.



*Senator Gary R. George
State of Wisconsin
Sixth Senate District*

118 South, State Capitol Building
P. O. Box 7882
Madison, WI 53707-7882
(608) 266-2500

4011 W. Capitol Drive
Milwaukee, WI 53216
(414) 445-9436
(877) 474-2000

Facsimile Cover Sheet

Please deliver to the individual named below.

To: Janice Mueller, State Auditor
Legislative Audit Bureau

Phone: (608) 259-9800

Fax: (608) 267-0410

From: Dan Rossmiller, Chief of Staff

Number of pages: 3 pages, including this cover sheet

Message: Senator George asked me to forward to you the attached letter.
(Please call me (266-2500) if you have any questions or if you have trouble receiving this fax.

August 31, 2000

Senator Gary George, Co chairman
Representative Carol Kelso, Co chairman
Legislative Audit Committee
P.O. Box 8952
Madison, WI. 53708

Dear Audit Committee:

These are the issues related to the DHCF cessation of Medicaid Fee for Service payments for Physical, Occupational and Speech Therapy Services for children with diagnosed mental illness residing in Child Care Institutions (CCI). We respectfully request that they be presented to the legislative committee.

Background: Early in February 2000, three out of the 52 Child Care Institutions (CCI's) in Wisconsin and two contract therapy providers received a letter dated January 28, 2000 from the DHCF. The letter, as interpreted by the CCI's and providers, stated that the DHCF had determined that prior authorizations (PA's) submitted for physical, occupational and speech therapy for Medicaid recipients receiving treatment at the CCI's did not meet the guidelines of "medical necessity" and that these services **would no longer** be reimbursed by Medicaid fee for service effective February 7, 2000. This was later extended to May 1, 2000 after meetings and letter exchanges.

Since that time a meeting was held at Representative Foti's office and a volume of correspondence has been exchanged between the CCI administrators, therapy providers and representatives of the State Department of Health and Family Services including Peggy Bartels, Susan Dreyfus, Alan White, Richard Lorang, Joe Leanne and Governor Thompson. A common theme in all of the letters and specifically stated in Governor Thompson's letter was a clarification stating that the original letter "did not indicate Medicaid would no longer pay for therapy services provided to those residents, but that approval of those services would be based on the same standards used to review requests for all other children in the Medicaid program." However, as illustrated on the attached data sheet and graph, **none of the nine** prior authorizations adjudicated have been approved since the May 1, 2000 deadline. Three additional prior authorizations are still with the reviewers. All of the prior authorizations approved prior to May 1, 2000 expired on May 1, 2000. We have appealed 4, are currently waiting for schedules on 5, and have 3 P/A's that have been in the adjudication process of for 40 -49 days.

It is our position that:

- The Department of Health Care Financing has made an arbitrary change in policy, unilaterally, without legislative due process to no longer approve **any** prior authorizations for children with diagnosed mental illness receiving treatment in Child Care Institutions. This is a change in policy as physical, occupational therapy and speech therapy services have been regarded as "medically necessary" by the DHCF and have been provided for through Medicaid "fee for service" for 20+ years prior to

the January letter. There has been no change to the Wisconsin Administrative Code HSS 101 to 108 and there has been no general notice to *all* providers published in the *Medicaid Provider Update Bulletin*.

- The therapies provided to these children in CCI's meet the established guidelines for Medicaid fee for service reimbursement as defined in the Wisconsin Administrative Code HSS 101 to 108. They are medically based treatments, not educational, and have been prescribed by physicians. Less than 30% of the Medicaid recipients at St. Rose and Lad Lake have been identified as having Exceptional Educational Needs (EEN) by their Local Educational Agencies (LEA) and none have Individualized Educational Plans (IEP) requiring "related services" of Physical, Occupational and Speech Therapy (Fed.Register 57 No. 189 s 300.16).
- The DHCF does not adhere to the administrative rule requiring PA adjudication within 20 working days. Therapy requests submitted by therapists for recipients in the CCI's over the past 3 years have been subject to ever increasing scrutiny as demonstrated by the number that were returned for additional information and held for unreasonable lengths of time for adjudication. Adjudication times averaged over 80 days in 1999 (see graph), despite regulations requiring adjudication within 20 working days.
- The Medicaid recipients in the CCI's have not been treated preferentially, in fact, not even equitably in comparison with their Medicaid recipient age related peers receiving therapy in the schools as has been inferred by the DHCF (see comparison chart Medicaid School Based Benefit vs. Medicaid Fee for Service Requirements). School based therapies, paid for by Medicaid, are not subject to the stringent, cumbersome and duplicative paper demands required by the consultants when adjudicating PAs from the same age population.
- Consultants at the DHCF have verbally, and in the attached letters, stated that the CCI's need to find alternate funding for Physical, Speech and Occupational therapy services. They have stated that services are to be included in their daily rate and/or should be covered by Medicaid School Based Services (SBS). However, there is nothing stipulated in the Administrative Code (HFS 52) governing CCI's that indicate that Physical, Speech and/or Occupational Therapy are to be included services. The regulations for Medicaid school based reimbursement for Physical, Occupational and Speech Therapy HSS 105.53 exclude CCI's as they do not meet the requirements of being public schools and/or CESA districts. The DHCF has a financial incentive for denying "fee for service" therapy and encouraging the School based reimbursement, as SBS brings federal Medicaid dollars into the General Fund.
- The therapists in the CCI's have consistently followed and continue to strictly adhere to the guidelines governing Medicaid fee for service for "covered services" as defined in HSS 107.16, HSS 107.17 and 107.18 and provide treatments that meet "medical necessity" 101.03 96m according to the provisions in the Wisconsin Administrative

Code. However, DHCF consultants have recently taken the position that these services no longer meet the definition of "medical necessity". The definition as written in the code is ambiguous and subject to arbitrary interpretation. Over the past 2+ years, the therapists have repeatedly requested that the DHCF consultants adjudicating the prior authorizations provide the guidelines that they use to determine medical necessity for the CCI population. To date, despite promises from the DHCF, no assistance or guidance has been offered. The review criteria used by the consultants to determine "medical necessity" is constantly changing without notice to providers, resulting in services that were previously "approved and covered" now being denied to the same Medicaid recipients.

If you have further questions or concerns we can be reached at (414) 355-7157.

Respectfully submitted by,

Jean Fahl, M.S.CCC/SLP

Kristin Mungovan, M.S.OTR

Claudia Meyer, OTR

Beth Grossmeyer, OTR

Cindy Eisenman, M.S. CCC/SLP

**ST. ROSE****R E S I D E N C E**

INCORPORATED

3801 NORTH 88TH STREET
MILWAUKEE, WISCONSIN 53222
(414) 466-9450
FAX (414) 466-0730

LICENSED RESIDENTIAL TREATMENT CENTER • DAY EDUCATION/TREATMENT SERVICES • CERTIFIED OUTPATIENT CLINIC

August 30, 2000

Mr. David Flemming
819 N. 6th Street, Room 92
Milwaukee, WI 53203-1685

Dear Mr. Flemming:

I am writing to answer your question in the [REDACTED] appeal as to why Occupational Therapy services are not included in our rate structure.

St. Rose Residence provides all services required by HSS 52 Licensing Rules for Child Care Institutions. The Licensing Rules do not require Occupational Therapy services.

St. Rose Residence has offered these services through an outside provider, when prescribed by a physician for specific residents because it believes some residents need these additional services due to their specific needs. Using an outside provider is the most efficient way to access these services, much like we use outside medical clinics for physician services and an outside pharmacy for prescription services.

We believe this is an important service component for residents who are in need.

Thank you for your consideration.

Sincerely,

Kenneth Czaplewski
President

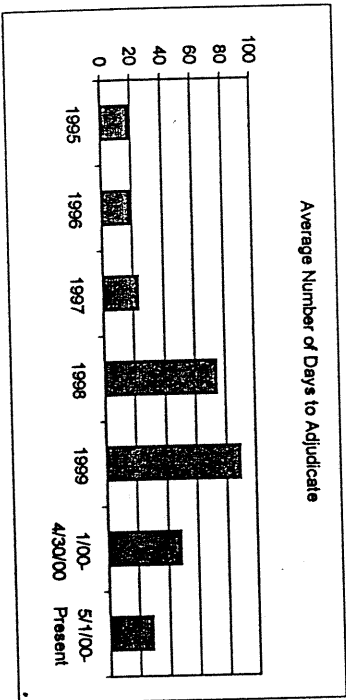
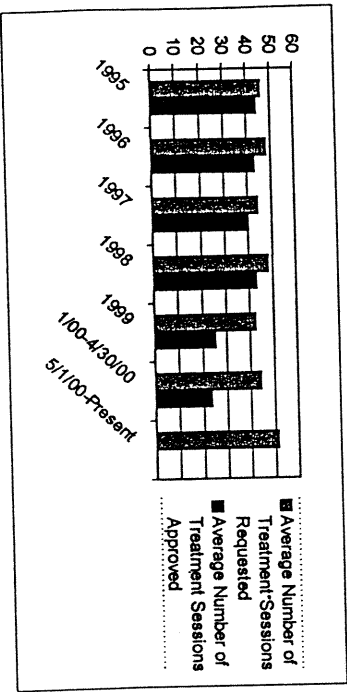
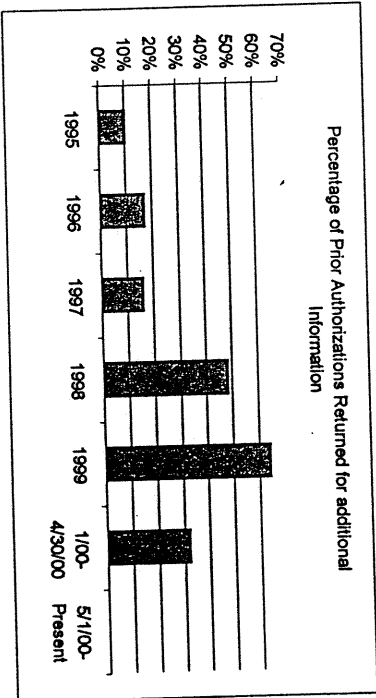
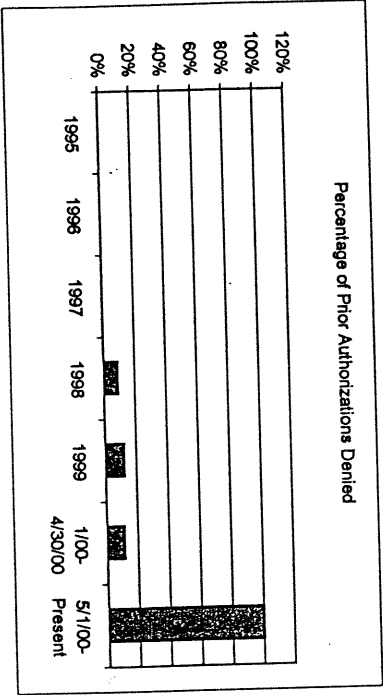
KC/rgc

CCI -- ST. ROSE & LAD LAKE MEDICAID PRIOR AUTHORIZATION HISTORY FOR OCCUPATIONAL THERAPY

Number of Prior Authorizations Adjudicated
 Percentage of Prior Authorizations Denied
 Percentage of Prior Authorizations Returned for additional Information
 Average Number of Treatment Sessions Requested
 Average Number of Treatment Sessions Approved
 Average Number of Days to Adjudicate

	1995	1996	1997	1998	1999	Jan.1-Apr.30 2000	May 1- Present 2000
Number of Prior Authorizations Adjudicated	77	81	81	56	50	19	9
Percentage of Prior Authorizations Denied	0%	0%	0%	9%	12%	11%	100%
Percentage of Prior Authorizations Returned for additional Information	10%	17%	16%	48%	64%	32%	0%
Average Number of Treatment Sessions Requested	46	48	44	48	42	44	51
Average Number of Treatment Sessions Approved	44	43	40	43	25	23	0
Average Number of Days to Adjudicate	18	18	23	74	89	48	28

*3 P/A still in review



CCI -- ST. ROSE & LAD LAKE MEDICAID PRIOR AUTHORIZATION HISTORY FOR OCCUPATIONAL THERAPY

	1995		1996		1997		1998		1999		2000		Jan. 1-Apr. 30		May 1 - Present	
Number of Prior Authorizations Adjudicated	77	81	81	81	56	50	19	11%	100%	9						
Percentage of Prior Authorizations Denied	0%	0%	0%	0%	9%	12%	11%	32%	0%							
Number of Prior Authorizations Returned for additional Information	10%	17%	16%	48%	48%	42	44	51	0							
Percentage of Prior Authorizations Returned	46	48	44	43	43	25	23	0								
Average Number of Treatment Sessions Requested	44	43	40	43	43	25	23	0								
Average Number of Treatment Sessions Approved	18	18	23	74	89	48	28									
Average Number of Days to Adjudicate																

*3 P/A still in review

ST. ROSE OCCUPATIONAL THERAPY PRIOR AUTHORIZATION SUMMARY

	1995	1996	1997	1998	1999	Jan 1-Apr 30 2000	June 1- Present 2000
Number of Prior Authorizations Submitted	27	34	42	19	22	10	6
Number of Prior Authorizations Approved	27	34	42	17	19	10	0
Number of Prior Authorizations Denied	0	0	0	2	3	2	6
Number of Prior Authorizations Modified	10	17	20	13	15	8	0
Number of P/As Returned for Additional Information	1	5	7	13	8	3	0
Average Number of Days Requested	47	50	43	49	43	46	51
Average Number of Days Approved	43	41	38	40	24	21	0
Average Number of Days to Adjudicate	18	19	26	63	80	42	38

LAD LAKE OCCUPATIONAL THERAPY PRIOR AUTHORIZATION SUMMARY

	1995	1996	1997	1998	1999	Jan 1-Apr 30 2000	May 1- Present 2000
Number of Prior Authorizations Submitted	50	47	39	37	28	9	6
Number of Prior Authorizations Approved	50	47	39	35	25	9	0
Number of Prior Authorizations Denied	0	0	0	3	3	0	3 * 3 outstanding at DHCF reviewer
Number of Prior Authorizations Modified	14	12	8	27	18	6	0
Number of P/As Returned for Additional Information	7	9	6	14	24	3	0
Average Number of Days Requested	46	46	46	48	40	41	51
Average Number of Days Approved	44	44	42	45	26	25	0
Average Number of Days to Adjudicate	19	16	20	79	97	53	29 * based on the three that were adjudicated



DIVISION OF HEALTH CARE FINANCING

1 WEST WILSON STREET
P O BOX 309
MADISON WI 53701-0309

Telephone: 608-266-8922
FAX: 608-266-1098
TTY: 608-261-7798
www.dhfs.state.wi.us

Tommy G. Thompson
Governor

State of Wisconsin

Joe Levan
Secretary

Department of Health and Family Services

January 24, 2000

Mr. Ken Czaplewski
St. Rose Residence
3810 North 88th Street
Milwaukee, WI 53213

Dear Mr. Czaplewski:

The Division of Health Care Financing (DHCF) would like to thank you for the dialogue regarding the provision and reimbursement of occupational therapy (OT,) physical therapy (PT,) and speech-language pathology services (SLP) to Wisconsin Medicaid recipients residing in child caring institutions (CCI.)

The DHCF has reviewed a number of prior authorization (PA) requests submitted by a rehabilitation agency for OT and SLP services for residents at your facility. Following extensive review and careful consideration of the issues, it has been determined that the PA requests for these therapy services reviewed to date do not meet the criteria to be considered medically necessary as defined in HFS 101.03(96m) and are not eligible for fee-for-service reimbursement by Wisconsin Medicaid. However, the PA requests that have been submitted have been granted with an expiration date on or about February 7, 2000 to give you advance notice of this decision.

The DHCF would like to advise you that while this determination has been made following review of PA requests submitted for reimbursement, services provided before the PA threshold is met (and therefore for which prior approval is not required) must also meet the criteria of medical necessity and are subject to post-payment review.

Again, thank you for your correspondence with us regarding these services. If you have any questions regarding this matter, please contact Barb Evans at (608) 261-7783.

Sincerely,

A handwritten signature in black ink, appearing to read "ASW", with a long horizontal flourish extending to the right.

Alan S. White, Director
Bureau of Health Care Program Integrity
Division of Health Care Financing

cc: Team Rehab
9450 N. 107th Street
Milwaukee, WI 53224-1106



ST. ROSE

R E S I D E N C E

INCORPORATED

3801 NORTH 88TH STREET
MILWAUKEE, WISCONSIN 53222

(414) 466-9450

FAX (414) 466-0730

LICENSED RESIDENTIAL TREATMENT CENTER • DAY EDUCATION/TREATMENT SERVICES • CERTIFIED OUTPATIENT CLINIC

March 1, 2000

Representative Steven M. Foti
Wisconsin State Assembly
P.O. Box 8952
Madison, Wisconsin 53708

Dear Representative Foti:

I am very concerned about the recent decision by the Division of Health Care Financing to categorically eliminate prior authorizations for Occupational Therapy and Speech and Language Services for children and adolescents in child caring institutions.

It appears that the Division of Health Care Financing suggests that these services should be part of the cost and rate structure of the child caring institution.

The problem with that solution is that we are only allowed by the State to charge one rate to all purchasers and counties. Not all of our residents are in need of these services. Generally, about 70% of our residents are prescribed Occupational Therapy and 25% are prescribed Speech and Language services.

As you can see, if we incorporated these services into our rate structure, the rate for residents who would not need these services would be inflated. I do not believe this is a good business decision, to charge residents for services that are not needed. I believe the current system is the most equitable and fair.

The Division of Health Care Financing seems to have an agenda to reduce their costs even if it impacts negatively on children in care. I think this is wrong and poor public policy.

Thank you for your concern.

Sincerely,

Kenneth Czaplowski
President

KC:gc



DIVISION OF CHILDREN AND FAMILY SERVICES

1 WEST WILSON STREET
P O BOX 8916
MADISON WI 53708-8916

Telephone: 608-267-3905
FAX: 608-266-6836
www.dhfs.state.wi.us

Tommy G. Thompson
Governor

Joe Leraan
Secretary

State of Wisconsin

Department of Health and Family Services

March 3, 2000

Mr. Ken Czaplewski
St. Rose Residence
3810 North 88th Street
Milwaukee, WI 53213

Dear Mr. ~~Czaplewski~~, *Ken*

On January 24, 2000 you received a letter from the Division of Health Care Financing (DHCF) concerning the reimbursement by Wisconsin Medicaid for occupational therapy, physical therapy and speech-language pathology services. Specifically, the letter stated that "following extensive review and careful consideration of the issues, it has been determined that the PA requests for these therapy services reviewed to date do not meet the criteria to be considered medically necessary as defined in HFS 101.03 (96m) and are not eligible for fee-for-service reimbursement by Wisconsin Medicaid."

The Division of Children and Family Services (DCFS) received a number of written requests asking for further clarification into this matter. Based on discussions and meetings with DHCF staff and DCFS staff involved directly with child caring institutions (CCI), it is our understanding that DHCF is **not** saying that occupational therapy (OT), physical therapy (PT) and speech-language therapy (SLP) are no longer medically necessary. Your therapy provider may still submit prior authorization requests (PA) for these services. If the PA request is determined to meet the criteria of medically necessary as defined in HFS 101.03 (96m) and all other applicable criteria listed in HFS 107, the PA request will be approved and may be reimbursed by the Wisconsin Medicaid Program (WMAP).


According to DHCF, PA requests must include sufficient information to assure that the review criteria are met. DHCF is requiring that providers submit the Individual Educational Plan (IEP) (in cases where the IEP is not available, an explanation of the efforts to obtain it will be sufficient) and the facility treatment plan. Similar documentation is required with all other therapy service requests for children. The intent of the January 24th DHCF letter was to convey the message that all therapy requests will be held to the same level of documentation and review.

Some of the things that you will want to consider when submitting prior authorizations for OT, PT and SLP services include, what is unique about the services being provided by the outside vendor; can these services be provided by another caregiver; and why this additional service is medically necessary.

We apologize for any confusion or inconvenience that may have been caused by the January 24th letter. DCFS and DHCF understand the importance of OT, PT and SLP services to children in child caring institutions. It is critical that together we continue to look for and develop the types of therapeutic services that meet the unique needs of adolescents.

It is our hope that the above information has helped to clarify the position of DHCF. If questions still remain or you would like additional information, please don't hesitate to contact my assistant, Jennifer Jones at 608-267-2887.

Sincerely,



Susan N. Dreyfus
Administrator

cc: Peggy Bartels, Administrator, DHCF
Barbara Evans, Unit Chief, Medical Audit
Jean Fahl, Team Rehab, Inc.