



DEPARTMENT OF HEALTH CARE SERVICES
Clinical Assurance and Administrative Support Division
Superior Systems Waiver Renewal
FACT SHEET

BACKGROUND

The Superior Systems Waiver (SSW) renewal request describes Fee-for-Service (FFS) utilization management in California hospitals for inpatient hospital stays.

1. The SSW waives certain federal utilization review requirements for acute inpatient hospitalization and allows Federal Financial Participation (FFP) reimbursement for monitoring and oversight using a combination of approaches including evidence-based medical criteria, such as InterQual® and MCG® (formerly Milliman Care Guidelines) and prior authorization depending on the type of acute inpatient service, the hospital type, and the characteristics of the beneficiary's health care coverage.
2. The current SSW expires September 30, 2019, and Department of Health Care Services (DHCS) is seeking to renew the SSW for another two-year term October 1, 2019 through September 30, 2021.
3. The current SSW renewal reflects minimal changes from the existing SSW, i.e., changes include:
 - i. The timeline for transition to Treatment Authorization Request (TAR)-Free status will be extended to 2021 to accommodate a continued measured implementation and to address challenges related to accessing electronic medical records (EMRs).

PROGRESS TO DATE & CURRENT EFFORTS

Designated Public Hospitals (DPHs)

In 2008, DPHs began transitioning from DHCS reviewing 100 percent of all hospital days via the TAR process to the DPHs performing their own acute inpatient UR using evidence-based standardized medical review criteria, such as InterQual® or MCG®. As of January 1, 2019 all but one of the DPHs continue this process.

Non-Designated Public Hospitals (NDPHs) & Private Hospitals

In April 2016, DHCS Medi-Cal Field Offices began monthly electronic reviews for admissions on or after February 1, 2016, for the first nine NDPHs and private hospitals that transitioned to TAR-free reviews.

1. Since then, DHCS completed several more transition phases with 83 NDPHs and private hospitals transitioning to TAR-Free status.
2. Using a monthly pool of FFS Medi-Cal paid claims for NDPHs and private hospitals, DHCS continues to draw a post-payment/post-service data driven sample of cases to review to determine the medical necessity of admissions.
3. NDPHs and private hospitals are required to continue to submit TARs for FFS claims for most restricted aid codes, or those only allowing emergency and pregnancy-related services (non-delivery); hospice; acute rehabilitation stays; and administrative days, levels one and two.

IDENTIFIED CHALLENGES

Although DHCS is making good progress in implementing TAR-Free reviews for NDPHs and private hospitals, DHCS continues to encounter challenges in transitioning remaining NDPHs and private hospitals to the TAR-Free process.

Those challenges include:

- i. Limited access to hospital electronic medical records (EMRs); and
- ii. Managing log-in information for DHCS staff for multiple hospitals or hospital systems.

ENHANCED CLINICAL DATA COLLECTION SYSTEM

As a long-term solution to EMR access challenges, DHCS is procuring an enhanced clinical data collection system to collect and review clinical information. It is anticipated that the clinical data exchange will be implemented in late 2019 or early 2020.

This system will:

- i. Accept an industry standard file that will contain clinical data; and
- ii. Allow DHCS to collect data from hospitals in industry-standard formats; thus, reducing DHCS' reliance on accessing hospital EMRs.

The Superior Systems Waiver Stakeholder Information Page can be found at <http://www.dhcs.ca.gov/services/medi-cal/Pages/SuperiorSystemsWaiver.aspx>.