

**California Department of Health Care Services  
Clinical Assurance and Administrative Support Division (CAASD)**

**Questions and Answers from the March 18, 2015  
Superior Systems Waiver Stakeholder Webinar**

- 1. Will sampling frequency change at all for the public hospitals, given the increased volume in review that DHCS will be doing for the non-Designated Public Hospitals (NDPH) and Private Hospitals coming onto the program?**

**Answer:** DHCS is reviewing the current sampling frequency for Designated Public Hospitals (DPHs) and will make adjustments if necessary.

- 2. Will the same supporting documentation be required for all accounts on the random sampling audit process?**

**Answer:** Yes, the same supporting documentation will be required for all accounts on the random sampling process. This includes access to the electronic medical record, InterQual or MCG determination and case management notes, and if applicable, secondary review decisions and medical justification/rationale.

- 3. Does this new UR process include Inpatient Psych?**

**Answer:** No, acute inpatient psychiatry stays are not included in this process.

- 4. Does California expect all Medicaid clients to go into a managed care insurance product as of January 1, 2016 so it would only be the clients on PRUCOL that would be reviewed under this process?**

**Answer:** No. There will continue to be fee-for-service Medi-Cal beneficiaries receiving acute inpatient services who do not have restricted aid codes.

- 5. Do you anticipate Medi-Cal managed care to make the same changes?**

**Answer:** The Superior Systems Waiver only describes acute inpatient utilization management for fee-for-service Medi-Cal beneficiaries, so we are unable to comment on any anticipated changes in the managed care delivery system.

6. **Since NDPHs and Private Hospitals are paid at an APR-DRG case price, does that mean if after the audit, DHCS finds that a claim was not medically necessary, they will retract full payment?**

**Answer:** This part of the new process is still under development, and we hope to have more information available at the next Webinar.

7. **Would the post review audits occur on-site? Or is DHCS requiring hospitals to have electronic access to do reviews remotely?**

**Answer:** It is DHCS' goal to have a 100 percent electronic process. Therefore, DHCS would need remote electronic access to certain hospital systems including the electronic medical record, InterQual or MCG determination and case management notes, and if applicable, secondary review decisions and medical justification/rationale. However, DHCS will work with hospitals that do not yet have this capability.

8. **What were some of the transition problems experienced by the Designated Public Hospitals (DPHs) that have or have not yet been rectified? And do you expect all of those issues to be resolved by January 1, 2016?**

**Answer:** The DPH transition included issues with restricted aid codes and administrative days, as well as claiming issues and onsite review issues such as space limitations at hospitals. These issues have been addressed and DHCS continues to work with individual DPHs to resolve any new difficulties that occur. DHCS does not foresee large scale problems occurring with the NDPH and private hospital transition. However, as with any significant program or system change, it is impossible to predict and prevent all problems. DHCS will work with the NDPHs and private hospitals to resolve issues if and when they arise.

9. **If the provider can allow remote access to the case management documentation, there is no need for hardcopy documentation to be sent, such as Medi-Cal eligibility printout?**

**Answer:** Correct, as long as all necessary documentation is available electronically. DHCS envisions a paper-free process as long as electronic access is granted to the electronic medical record, InterQual or MCG determination and case management notes, and if applicable, secondary review decisions and medical justification/rationale.

**10. Will this also affect California Children's Services SARs?**

**Answer:** This process does not affect California Children's Services SARs.

**11. Since Medi-Cal does not recognize Observation care, if a patient is truly in an Observation bed, should we still treat them as an Inpatient? They are generally in Observation when they have not met Acute Inpatient Criteria. Is it expected that all Observation patients go to a secondary review? Should they also be billed using inpatient bed charges when in Observation? What if patient meets InterQual criteria for Observation but not inpatient?**

**Answer:** Medi-Cal does not recognize Observation criteria. However, as noted in the secondary review information, once the hospital runs the beneficiary's case through InterQual or MCG acute inpatient criteria and determines that it does not meet acute inpatient criteria, the hospital has the option to deny the day or perform a secondary review to determine whether to bill that day as an acute inpatient day. Observation criteria may not be used.

**12. Do facilities reimbursed by APR DRG only need to demonstrate that a single day meets inpatient criteria?**

**Answer:** For beneficiaries with full-scope Medi-Cal (or sick newborns utilizing the maternal restricted aid code), the hospital needs to demonstrate that the admission, but not specifically the day of admission, met InterQual or MCG acute inpatient criteria or was referred for a secondary review. If the secondary reviewer approves the admission for acute inpatient criteria, then the hospital may bill for the acute inpatient stay.

**13. Can a retroactive Medi-Cal case undergo InterQual or MCG review retrospectively?**

**Answer:** Any case may be reviewed retrospectively but the facility may not bill until the UR process has been completed.

**14. Is there ever a situation where a case that requires a daily TAR would also require InterQual or MCG review?**

**Answer:** Generally the answer is no, however there may be rare cases in which an aid code change may affect the type of UR required. These rare scenarios will be covered when DHCS provides training to the hospitals.

**15. We do retrospective review and send E-Tars to the Medi-Cal Field Office, will this change?**

**Answer:** Yes, there will be changes to your process. You may continue to do your reviews retrospectively. For Medi-Cal fee-for-service beneficiaries with full-scope eligibility, you will use a standardized UR criteria (InterQual or MCG) to determine if the admission met acute inpatient criteria. If acute inpatient criteria were not met you may deny the admission or refer it for secondary review. If the secondary reviewer approved the admission you may bill (no TAR required). If the secondary reviewer does not think the admission meets acute inpatient criteria, the admission cannot be billed. For beneficiaries with restricted aid codes requiring a TAR with a daily review and those full-scope beneficiaries for Administrative Days, Acute Inpatient Intensive Rehabilitation and/or Hospice General Acute Care, you may continue to submit retrospective TARs to the Medi-Cal Field Office through the E-TAR system.

**16. Where can I get information on upcoming webinars?**

**Answer:** Information on future webinars will be available soon under “Upcoming Meetings” on the DHCS Superior Systems Waiver webpage here:  
<http://www.dhcs.ca.gov/services/medi-cal/Pages/SuperiorSystemsWaiver.aspx>