

Medicare Appeals Workload Projections - OMHA

(data reported in appeals, as of 9/30/2017)

Status Quo Estimates Absent Any Actions	FY17	FY18	FY19	FY20	FY21
Beginning Workload Balance	1,052,473	1,111,482	1,167,058	1,229,511	1,296,025
New receipts (unadjusted)	136,130	143,576	150,452	154,515	158,559
ALJ Dispositions	(77,121)	(88,000)	(88,000)	(88,000)	(88,000)
Cumulative Backlog Absent Actions	1,111,482	1,167,058	1,229,511	1,296,025	1,366,585
Administrative / Legislative Estimates	FY17	FY18	FY19	FY20	FY21
Administrative Actions - CMS Level	(23,197)	(24,088)	(16,265)	(16,566)	(8,916)
Administrative Actions - OMHA Level	(130,272)	(103,825)	(31,563)	(32,800)	(13,000)
Legislative Proposals	0	(12,500)	(75,000)	(75,000)	(75,000)
Budget Proposals	0	(18,917)	(113,500)	(113,500)	(113,500)
Cumulative Impact on Pending Appeals at OMHA Level	FY17	FY18	FY19	FY20	FY21
Administrative Actions Only	(153,469)	(127,913)	(47,828)	(49,366)	(21,916)
Administrative Actions + Legislative Proposals	(153,469)	(140,413)	(122,828)	(124,366)	(96,916)
Administrative Actions + Budget Proposals	(153,469)	(146,830)	(161,328)	(162,866)	(135,416)
Administrative Actions + Legislative Proposals + Budget Proposals	(153,469)	(159,330)	(236,328)	(237,866)	(210,416)
Cumulative Pending Appeals at OMHA Level	FY17	FY18	FY19	FY20	FY21
Administrative Actions Only	578,683	506,346	520,971	538,120	586,763
Administrative Actions + Legislative Proposals	578,683	493,846	433,471	375,620	349,263
Administrative Actions + Budget Proposals	578,683	487,429	388,554	292,203	227,346
Administrative Actions + Legislative Proposals + Budget Proposals	578,683	474,929	301,054	129,703	(10,154)

Footnotes:

- 1/ Negative numbers reflect adjudicated appeals. Positive numbers reflect appeals awaiting adjudication.
- 2/ New workload and additional adjudication capacity projections only include Part A and B claims. Disposition capacity includes all entitlement claims (e.g., Parts A - D, QIO).
- 3/ Status quo estimate represents status of appeals without any administrative, legislative, or budgetary action.



OMHA Projections (data reported in appeals, as of 9/30/2017)

Fiscal Year	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Beginning Balance (pending appeals)	673,143	578,683	506,346	520,971	538,120
New Receipts	112,933	119,488	134,188	137,949	149,644
Dispositions	(207,393)	(191,825)	(119,563)	(120,800)	(101,000)
ALJ Dispositions	(77,121)	(88,000)	(88,000)	(88,000)	(88,000)
Administrative Action Dispositions	(130,272)	(103,825)	(31,563)	(32,800)	(13,000)
OMHA settlement conference facilitation - including States	(3,209)	(67,000)	(5,000)	(5,000)	(5,000)
On The Record (OTR) adjudication option	(3,377)	0	0	0	0
Attorney Adjudicators	0	(5,000)	(5,000)	(5,000)	(5,000)
Senior ALJ Program	(619)	(500)	(500)	(500)	(500)
Statistical sampling expanded / sampling with consent	(403)	(14,000)	(2,500)	(2,500)	(2,500)
QIC Discussion Demonstration - Remands for Resolution	(23,911)	(17,325)	(18,563)	(19,800)	0
CMS Hospital Settlements	(91,486)	0	0	0	0
Received appeals combined for efficiency	(7,267)	0	0	0	0
FY 2018 President's Budget Impact		(31,417)	(188,500)	(188,500)	(188,500)
Additional ALJ teams		(17,667)	(106,000)	(106,000)	(106,000)
Magistrates		(12,500)	(75,000)	(75,000)	(75,000)
Additional OTR Adjudication Capacity		(1,250)	(7,500)	(7,500)	(7,500)

- 1/ Out year ALJ disposition estimates reflect FY17 budget level (92 ALJs) and production impact of attrition (vacancies, hiring process, training & orientation).
- 2/ Received appeals combined for efficiency result in one disposition for a group of combined appeals. This accounts for received appeals that are not reflected in disposition counts, QIC discussion demonstration or CMS settlements.
- 3/ OMHA settlement conference facilitation counts reflect SCF appeals closed (versus SCF appeals settled).
- 4/ FY18 SCF estimate includes: (46,000) from NY, (3,400) from CT, (3,600) from MA, (5,000) other settlements, and (9,000) SMA appeals avoided/dismissed.

<u>OMHA Assumptions:</u>
Beginning Balance: Prior Year Pending Appeals count carried forward
New Receipts: Prior Year Actuals and Out Year Estimates (from CMS Projections)
Total OMHA Dispositions: Sum of ALJ Dispositions and OMHA Administrative Actions Dispositions
ALJ Dispositions: ~92 Onboard ALJs - adjusted to account for production impact of attrition
OMHA Administrative Actions Dispositions: Sum of the following initiatives
<i>Senior ALJ Dispositions: Estimate based on prior year actuals</i>
<i>Settlement Conference Facilitation Program: Includes State Medicaid Agency settlements</i>
<i>SMA Appeals Avoided (Dismissed): Estimate based on previous year receipt volume</i>
<i>Statistical Sampling Program (with consent) - Added Impact: Estimate based on prior year actuals and what's in the pipeline.</i>
<i>Senior Attorney OTR Pilot: Preface-to/Replaced-by Attorney Adjudicators</i>
<i>Attorney Adjudicator Dispositions: Replaces OTR Pilot in the long-term - reflects current funding level</i>
<i>OMHA appeals resolved via CMS QIC discussion demo: Prior Year Actuals and Out Year Estimates (from CMS Projections)</i>
<i>OMHA appeals resolved via HASP 1 and HASP 2 hospital settlement options: Prior Year Actuals</i>
<i>Received appeals combined for efficiency: Result in one disposition for a group of combined appeals. Accounts for received appeals that are not reflected in disposition counts, QIC discussion demo or CMS settlements</i>
FY 2018 President's Budget Impact: Reflects potential impact of receipt of FY 2018 President's Budget
*Impacts from the recently announced Low Volume Settlement Opportunity and expanded Settlement Conference Facilitations are not yet available. Further experience and information regarding provider interest in these initiatives is required before an estimate can be made.

Pre-OMHA Level - QIC Projections (data reported in appeals, as of 9/30/2017)

	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Baseline Receipts					
RAC Receipts at QIC Level	12,043	40,000	50,000	50,000	50,000
Non-RAC Receipts at QIC Level					
Part A	84,660	87,115	89,816	92,510	95,193
Part B	149,880	154,077	158,545	163,301	168,037
DME	190,627	195,965	201,648	207,697	213,720
Total Non-RAC Receipts	425,167	437,156	450,008	463,508	476,950
Total Receipts before Adjustments	437,210	477,156	500,008	513,508	526,950
Potential Denials by QIC	253,414	281,522	295,005	302,970	310,901
Potential Appeals to ALJ	136,130	143,576	150,452	154,515	158,559
Administrative Actions					
CMS - Prior Authorization Demonstrations (PMD, Ambulance, HBO)	-45,000	-41,000	0	0	0
CMS - Prior Authorization Regulation for DMEPOS	-6,815	-13,630	-28,630	-28,630	-28,630
CMS - Prior Authorization for Chiropractic	0	0	0	-1,000	-1,000
Potential Denials by QIC	-30,571	-32,232	-16,892	-17,482	-17,482
CMS - QIC demo formal discussions	-14,914	-15,000	-15,000	-15,000	0
Potential Appeals to ALJ	-23,197	-24,088	-16,265	-16,566	-8,916
Net Receipts					
Total Receipts after Administrative and Legislative Adjustments	385,395	422,526	471,378	483,878	497,320
Potential Denials by QIC	253,414	249,291	278,113	285,488	293,419
Potential Appeals to ALJ	112,933	119,488	134,188	137,949	149,644

CMS Assumptions/Definitions:
Baseline Receipts Assumptions:
Non-RAC:
Part A, Part B and DME:
1. FY 2017 represents actual counts.
2. Projections for FY 2018 - FY 2022 are based on Medicare beneficiary growth rate in 2017 ANNUAL REPORT OF THE BOARDS OF TRUSTEES. According to the trustee's report, Medicare growth rates for Part A beneficiaries for FY2018 - FY2022 are 2.9%, 3.1%, 3.0%, 2.9% and 2.9% respectively; and for Part B beneficiaries, 2.8%, 2.9%, 3.0%, 2.9% and 2.8% respectively.
RAC:
1. FY 2017 represents actual count.
2. FY 2018 - FY 2022 projections are based on ramping up of reviews under new contracts.
Denials/Appeals Rate:
1. Potential denials by QIC updated to reflect 2-year rolling average of 59% following a multi-year trend in decreasing denial rate. QIC denial rate is calculated based on decided appeals which include dismissals but exclude misrouted, escalated and pending appeals.
2. Potential Appeals to ALJ updated to reflect 2-year rolling average of 51% following a multi-year trend in decreasing appeals rate. Appeal rate is estimated using receipts at higher level divided by denials at lower level in the same fiscal year.
Administrative Actions Assumptions:
QIC Demonstration
1. DME appeals reversed fully or partially at QIC level through formal discussions with the appellants. FY2017 are actual counts. FY 2018 - FY 2020 projections assume similar workload and similar outcomes as FY 2017.
Prior Authorization Regulation for DMEPOS
1. FY 2017 represents estimates based on 2 specialized wheelchair codes that were implemented in FY 2017.
2. FY 2018 represents estimates based on the 2 codes from FY 2017 and inclusion of the PMD demonstration for one month. PMD demonstration ends in September 2018.
3. FY 2019 - FY 2021 represents estimates based on the 2 codes from FY 2017 and inclusion of the PMD demonstration for the full year.