

# Healthcare Quality Watch

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NEWS BRIEFS FOR  
MANAGERS AND  
OPINION LEADERS



Improving Healthcare  
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## Are you a Member of IPRO?

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## IPRO Earns Appeals Accreditation

IPRO has earned accreditation as an Independent Review Organization (IRO) by the nationally recognized URAC organization. IROs conduct impartial, independent reviews of appeals of health plan decisions lodged by patients and their representatives or providers. IPRO currently conducts these reviews in 16 states and the District of Columbia. "We are grateful for this honor," notes IPRO Senior Director Terese Giorgio, BSN, MA, RN, LNC. "This certification is from the universally recognized authority in this area." IPRO utilizes a panel of over 300 board-certified, clinical peer reviewers to conduct IRO reviews as well as a team of contract attorneys. Clinical experts are credentialed and subsequently re-credentialed every three years. Physicians must have current certification by a specialty board of the American Board of Medical Specialties. The new health reform law will substantially expand the number of Americans with the right to an external review of a health plan decision. Federal officials estimate that extending appeals rights to newly insured individuals, to enrollees in self-insured (ERISA) plans, and to individuals with fee-for-service as well as managed care coverage will result in new protections for an estimated 41 million Americans by next year. Now celebrating its 20th anniversary, the Washington DC-based URAC originally was incorporated as the Utilization Review Accreditation Commission. The organization now operates 27 accreditation programs. Four federal agencies recognize URAC accreditation and 46 states and the District of Columbia reference URAC accreditation through statute, regulation and publication. For more information, visit [www.urac.org](http://www.urac.org).

## IPRO Wins Utilization Review Contract

IPRO has been chosen by the State of New York to examine utilization of the state's Early Intervention (EI) program, which provides therapeutic and supportive services to children with disabilities, age birth through two years, and their families. Under the program, all eligible children receive multidisciplinary evaluations, including assessment of cognition and communication as well as social-emotional, physical and adaptive development. Eligible children and families are then assigned to case managers. Providers include incorporated entities, partnerships and agencies as well as licensed individuals. New York's is the nation's largest EI program, with more than 74,000 eligible children and families at an annual cost of about \$700 million. Funding for EI utilization review is made available through the federal Recovery Act. Among its activities, IPRO will create service utilization profiles addressing variation across regions and demographic groups. The Lewin Group is supporting IPRO with data aggregation and analysis and will develop service delivery performance measures and reporting.

## IPRO Sponsors Diabetes "Graduation"

IPRO and Univision radio have scheduled a "Diabetes Wellness Workshops Graduation" event to be held November 10 at the Betances Community Center in the Bronx. More than 200 Hispanic and African American seniors are scheduled to take part in the recognition program, which will include a self-care teach-in, musical entertainment and a dance class. The event is being held in conjunction with American Diabetes Month. Co-sponsors include the American Diabetes Association, New York City's Department for the Aging and the New York City Housing

Authority. For more information, contact IPRO Project Manager Janice Hidalgo at (516) 209-5310 or send an e-mail to [diabeteswellness@ipro.org](mailto:diabeteswellness@ipro.org).

### Regulators Analyze Quality Expenses

The medical loss ratio recommendations recently sent to HHS by the National Association of Insurance Commissioners (NAIC) spell out the quality improvement expenses regulators believe ought to be recognized as direct care rather than administrative expenses to health plans. Under health reform, the Secretary of HHS is tasked with promulgating uniform cost definitions for health plans beginning in 2011, based on the recommendations of NAIC. The Commissioners propose that quality improvement expenses be limited to the broad goals of improving outcomes and reducing disparities, preventing hospital readmissions, improving safety and reducing medical errors, increasing wellness and enhancing the use of data to improve quality, transparency and outcomes. For each of these goals, NAIC outlines the specific strategies it would approve. These range from medical homes and self-management programs to personalized post-discharge counseling, quality reporting and health information technology expenses. The managed care industry trade association America's Health Insurance Plans says it is disappointed that the NAIC recommendations don't recognize fraud prevention and ICD-10 coding implementation as quality initiatives. For their part, consumers are asking HHS to avoid tinkering with NAIC's recommendations. For a copy of the NAIC recommendations, visit [www.naic.org](http://www.naic.org).

### Diabetes: "The Hidden Cost Driver"

The vast majority of the growth in hospital admissions in New York State is attributed to patients with either a primary or secondary diagnosis of diabetes, according to a white paper released this fall by the New York State Health Foundation and the Healthcare Association of New York State. For 2000 through 2008, fully 84% of the growth in admissions to New York hospitals (137,000 of a total of 163,000 new cases) was for patients with diabetes, according to a review of state and federal data bases. In terms of readmissions, researchers find diabetics are 1.6 times more likely to be readmitted to a New York hospital than other patients and this holds true regardless of payer source. The highest rates of diabetic readmissions occur among Medicaid fee-for-service patients (25%), Medicare fee-for-service patients (22.8%), Medicare managed care patients (20.9%) and Medicaid managed care patients (19.3%). While commercially-insured diabetics are readmitted to hospitals less frequently than diabetics in other payer categories (15%), that rate is appreciably higher than the readmission rate for patients without diabetes (12.5%). The authors find that only 39% of New Yorkers with diabetes receive all tests recommended by national guidelines, with 10% receiving no tests at all. They recommend better financial incentives for providers, the use of intermediate outcome measures in designing incentives, and reimbursement for diabetes self-

management education (DSME), team-based care and care coordination. For a copy of *Diabetes: A Hidden Health Care Cost Driver in New York*, visit [www.nysdiabetescampaign.org](http://www.nysdiabetescampaign.org). Information about IPRO's three-year DSME program undertaken with inner-city seniors is available at [www.ipro.org](http://www.ipro.org).

### Feds Outline Medicaid Audit Roles

States have until December 31 to indicate whether they plan to contract with one or more Medicaid "Recovery Audit Contractors" (RACs), according to an October 1 directive to State Medicaid Directors from the Centers for Medicare & Medicaid Services (CMS). The federal health reform law designates Medicaid RACs as contingency-fee based contractors, similar to the four Medicare RAC contracts now in place nationwide. Contractors will be tasked with identifying underpayments and recouping overpayments. States will be required to have programs in place to guard against overlapping audits by different contractors or agencies. Additionally, states will have to develop procedures to assure that instances of suspected fraud or abuse are forwarded to State Medicaid Fraud Control Units on a timely basis. The Medicare RAC experience demonstrates that overpayments exceed underpayments by a ratio of 9:1, according to officials. The directive states that federal financial participation (FFP) in contingency fees will be capped at the rate of 12.5 percent. CMS says it expects to waive state participation in Medicaid RAC programs "rarely and only under the most compelling of circumstances."

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We welcome your comments and suggestions. Please forward them to the Editor, Spencer Vibbert, at [svibbert@ipro.org](mailto:svibbert@ipro.org).

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IPRO is a national organization providing a full spectrum of healthcare assessment and improvement services that foster more efficient use of resources and enhance healthcare quality to achieve better patient outcomes. For more than 25 years, IPRO has been highly regarded for the independence of its approach, the depth of its knowledge and experience, and the integrity of its programs. IPRO holds contracts with federal, state and local government agencies and corporate clients, in more than 33 states and the District of Columbia. A not-for-profit organization, IPRO is headquartered in Lake Success, NY.