IDRP Narrative Template: A Guide for Success

Dear CSA Members:

Below is a template for the narrative summary which can and should form an important part of any submission to the Department of Managed Health Care's AB 72 independent dispute resolution process (IDRP). The final narrative is necessarily customized to your particular situation, but we hope the template will make a complicated and confusing process manageable. You will find [bracketed] language in the template which contain instructions on how to complete the narrative consistent with the Department of Managed Health Care's AB 72 Uniform Written Procedures and Guidelines and our experience. Copies of the more important provisions of these Guidelines are found at the end of this document. You will also find other language which is not bracketed and has been highlighted which you may be able to adopt wholesale for your submission. The template is formatted so that each of the six factors found in section 15.1 of the Guidelines are a heading, with proposed text and/or instructions for each.

Since the IDRP applies to appeals against health care service plans ("Plans") and their delegated entities ("Delegated Entities"), the other party is identified throughout the template as the "Plan/Delegated Entity." In your final document you should identify the party as either "Plan" or "Delegated Entity." In Health and Safety Code section 1371.30(f), a delegated entity is "a contracted entity, including, but not limited to, a medical group or independent practice association" to which a plan has delegated payment functions. Our experience to date is that most of the lowest payors have been IPA delegated entities.

Our experience has also been that anesthesiologists who requested payment at their full billed charges ("conversion factor" is the term used in the template), have lost in every instance and ***the only successful appeal is one that requested payment at the average of the anesthesiologist's contracted rates from payors in the area***. Accordingly, the template conforms to this experience.

We hope you will find this template helpful and ask that you report you results, good and bad, to the CSA.

_____, 20__

Department of Managed Health Care
Independent Dispute Resolution Process

RE: Narrative Summary Justification

To Whom It May Concern:

I am writing to initiate the non-emergency independent dispute resolution process for services subject to Health & Safety Code §1371.9. I am an out-of-network provider with ([“Plan/Delegated Entity”]) and pursuant to Health & Safety Code §1371.30, I challenge the adequacy of the interim payment issued to me by Plan/Delegated Entity and am requesting that I be reimbursed appropriately for my services.

I want to draw your attention to Section 1.5.1 of the Department of Managed Health Care’s AB 72 Uniform Written Procedures and Guidelines (“Guidelines”), which states that the Narrative Summary Justification (“Narrative”) should address “all information relevant to the Initiating Party’s suggested appropriate reimbursement amount” and then identifies the Gould criteria in regulations at California Code of Regulations section 1300.71(a)(3)(B)(i)-(vi). Accordingly, the relevance of the Gould criteria is already established by the DMHC, and my request for reimbursement addresses the Gould criteria below. Under the Guidelines these criteria cannot be disregarded as not relevant, not supported, or on any other basis in making the final determination of the amount due.

Training, Qualifications, Length of Time in Practice: [In addition to residency and any fellowship training, board certification and years in practice should be mentioned if appropriate and favorable. Any sub-specialization experience should be mentioned if relevant to the services at issue.]

Nature of the Service Provided: [Guidelines section 1.4.1 requires the claim form originally submitted and the Plan’s/Delegated Entity’s internal dispute resolution determination letter are to be submitted as supporting documents. In this part of the Narrative you should include the date and place of the services, the applicable code and a description of the services. If any physical status modifiers were coded, they should be mentioned and described along with the pre-op diagnosis. Start and end times as well as total anesthesia time should be noted. The American Society of Anesthesiologist Relative Value Guide base and any modifier units should be mentioned as well as the time units and total units billed.]

Fees Usually Charged: DMHC regulations require that compensation for anesthesia services be paid based on a “conversion factor” which is expressed in dollar terms (DMHC rule 1300.71.31(c)(6)). This conversion factor is multiplied by the sum of American Society of Anesthesiologists Relative Value Guide base units, time units, and any

physical status modifier units. This makes the conversion factor the key to understanding and comparing payments for anesthesia services.

[The foregoing introduction to compensating anesthesia services should be included even if the individual considering the appeal is supposed to know this information. You and your group's standard conversion factor should be included under this heading and "conversion factor" is the term that should be used throughout your Narrative for internal consistency and consistency with DMHC regulations. If you can report favorable information about non-contracted payors paying full conversion factor charges, even if in limited circumstances, this should be mentioned. If your conversion factor has not be increased for more than a year, you should provide the term it has been in effect.]

Prevailing Provider Rates in the Area: [If you have survey results such as Medical Group Management Association or ASA to support the reasonableness of your conversion factor, this should be included in the Narrative. Copies of the relevant survey data should be included with your submission. To the extent you believe your conversion factor compares favorably with others in your area, this should be mentioned as well (e g. "We believe our $___ conversion factor is consistent or lower than what other anesthesiologists in our area charge."). Obviously, you only want to submit information about the prevailing rates in the area that indicate your conversion factor is reasonable. If your conversion factor is <u>below</u> the information on prevailing rates in your area you will want to highlight this fact in your Narrative. Most importantly, you need to report that the payment from the Plan/Delegated Entity is below what you receive from contracted payors (e.g. "In our area we receive much more under payor contracts than we received from the Plan/Delegated Entity in this case."). This needs to be supported by reference to specific contracted rates.]

Immediately below, in support of my request for additional reimbursement, is information detailing the (commercial) contracted rates that I have with payors in my geographic area. I have concealed the payors' identity as required by the contracts' confidentiality clauses.

<u>Payor</u>	<u>Contracted Rate per ASA Unit (Conversion Factor)</u>
Payor #1	$__.__
Payor #2	$__.__
Payor #3	$__.__

I have submitted appropriately redacted remittances from these payors for services in the area near in time to the case on appeal to substantiate these rates.

[The number of payor rates you include is up to you, so long as you include at least two. Obviously, the higher the average the better.]

Other Aspects of the Economics of the Medical Provider's Practice that are Relevant: Qualified anesthesiologists are in short supply in our area. We need to compete with other anesthesia practices to recruit and retain enough qualified anesthesiologists to meet our obligations to the hospitals, surgery centers and the other facilities where we care or our patients. Reimbursement from plans and delegated entities is the single greatest source of income for our practice. If we are not adequately compensated by these payors, patient care will suffer.

[The foregoing is provided as an example and not necessarily as a suggestion, but something along the lines of the foregoing is important to include under this heading. If these facts of life can be supported by anecdotal information on members leaving your group or prospective hires declining your offers for better opportunities elsewhere, this will be helpful. You may also want to include information and documentation on the high cost of living in your area.]

Any Unusual Circumstances: [The comments under this heading are necessarily case specific. If you were on call and had to drive into the hospital to deal with a train wreck, I would certainly mention it. If the surgeon took an inordinate amount of time to complete the case this should be mentioned too as should any mishap that was not of our making. We have seen multiple instances where the payor has failed to pay the minimum statutory amount of 125% of Medicare reimbursement. If this occurred, it should be mentioned in your Narrative and reported to the CSA.]

Supporting Documentation: Consistent with Section 1.5.2 of the Guidelines, all documents referenced or cited above will by uploaded with this IDRP application and the electronic versions uploaded contemporaneously are true and accurate copies of the documents.

Payment Request: Although my standard conversion factor is $___ [and is paid by other non-contracted responsible payors,] for purposes of this appeal I ask for reimbursement for the services at issue at a conversion factor of $__.__ which is the average of the payor rates cited above. At this conversion factor, given the __ ASA units for this case, the total payment should be $___.__ [If any non-contracted payor pays your full billed charges you should include the bracketed language above.]

_____, M.D.

Selected Important Provisions of the IDRP Guidelines

1.3 IDRP Application:

1.3.1 An Initiating Party must complete an IDRP Application online using the DMHC's external IDRP portal. The IDRP Application form is entirely web-based. IDRP Applications will not be accepted outside of the IDRP portal and there is no parallel paper process for the IDRP. The Application includes required data fields related to claims processing and billing. The information needed to complete these data fields should be readily available to the Initiating Party on the claim form(s), Explanation(s) of Benefits (EOBs), and Provider Dispute Resolution (PDR) determination letter(s) for the claim(s) that are in dispute.

1.4 Required Supporting Documents:

1.4.1 The following documents must be included with an IDRP Application in order for it to be processed by the DMHC:

• Claim Form(s)

• Provider Dispute Resolution (PDR) Determination Letter(s) of Note: If a provider attempted PDR, but did not receive an acknowledgment letter or determination letter from the payor and of the provider dispute, the provider may submit dated proof of the PDR attempt in lieu of a PDR determination letter. In accordance with CCR §1300.71.38(d)(2), the 45 business day period shall be extended in situations where a provider dispute is returned and must be amended.

1.5 Narrative Summary Justification:

1.5.1 In addition to the required supporting documents, a complete IDRP Application should include a narrative summary justification that addresses all information relevant to the Initiating Party's suggested appropriate reimbursement amount for the claim(s) at issue, including, but not limited to, the factors set forth in CCR §1300.71(a)(3)(B)(i)-(vi). These factors are listed here:

i. the provider's training, qualifications, and length of time in practice;
ii. the nature of the services provided;
iii. the fees usually charged by the provider;
iv. prevailing provider rates charged in the general geographic area in which the services were rendered;
v. other aspects of the economics of the medical provider's practice that are relevant; and
vi. any unusual circumstances in the case.

1.5.2 Although not required, this narrative summary justification is very important. It is the Initiating Party's chance to make its case and show that its suggested reimbursement amount is appropriate. The narrative summary justification should be well-organized and should cite or reference supporting documentation and evidence where applicable. All cited or referenced materials should be uploaded with the IDRP Application.

1.5.3 The DMHC will not impose a page-limit on the narrative summary justification.

1.6 Other Relevant Supporting Documents

1.6.1 The Initiating Party may also submit any other documents that it believes to be relevant to the suggested appropriate reimbursement amount for the claim(s) at issue and that it would like the independent review organization to consider when making an IDRP decision.3 It is the Initiating Party's responsibility to explain the relevance of this documentation in its narrative summary justification.

1.6.2 The independent organization conducting the IDRP will consider solely the information and documents timely submitted to the DMHC by the parties to the dispute when rendering a decision. Therefore, it is the IDRP participant's responsibility to include all documents and information