Tips for Submitting a RAC Appeal Letter

Submitters should be mindful of the following when drafting a RAC appeal letter:

- The HMS "First-Level Appeal – Adverse Determination Upheld" decision ("HMS Upheld Decision") is the only RAC decision that may be appealed to HHSC Medical and UR Appeals.
    - An appeal to HHSC Medical and UR Appeals is not a second appeal of the initial Health Management Systems, Inc. (HMS) Finding/Adverse Determination, which may be appealed to HMS only.
    - Resubmission of the provider's rebuttal letter re-titled as a "second-level appeal," without addressing the "HMS Reconsideration Summary" comments from the HMS Upheld Decision is not appropriate and may result in nonacceptance as a valid appeal submission.
- Decisions/Determinations were made by HMS.
    - It is incorrect to attribute decisions/determinations made by HMS to HHSC, TMHP, OIG, or HHSC Medical and UR Appeals, or any other program or entity.
    - If reusing any content from the rebuttal letter, any references that would not apply to HHSC Medical and UR Appeals must be corrected.
    - For example, it is incorrect to reference "your decision" or "your letter" when addressing HHSC Medical and UR Appeals, because HHSC Medical and UR Appeals did not make the decision or issue the letter.
- If using a template, ensure all references are correct.
- Any references to dates and letters should be verified for accuracy prior to submission.
- Issues or findings mentioned in the HMS Upheld Decision must be addressed:

- Appeal letters must address specific comments in the "HMS Reconsideration Review Summary," which is not the same as the "HMS Review Summary" comments from the initial HMS decision.
- Resubmission of the provider's rebuttal letter re-titled as a "second-level appeal," without addressing the "HMS Reconsideration Summary" comments from the "HMS Upheld Decision," is not appropriate.
- Copying the HMS comments from the initial letter without addressing the "HMS Reconsideration Review Summary" comments is generally insufficient.
- A simple restating of the clinical facts of the case, without relevant commentary, generally does not explain why the "HMS Upheld Decision" was incorrect.

- HHSC Medical and UR Appeals uses clinical judgement, rather than admission screening criteria such as Milliman (MCG) or InterQual.
  - The appeal logic should not rely solely on the provider's interpretation of MCG or InterQual guidelines.
  - As stated in the TMPPM, HHSC Medical and UR Appeals bases their decision on review of all documentation submitted on appeal and not on screening criteria.
  - Providers should cite documentation contained in the medical record and explain how it supports medical necessity and/or complies with Texas Medicaid policy.
  - The physician's documentation of patient condition and medical decision making is particularly important. A simple restating of the clinical facts of the case does not explain why the decision was incorrect.
- Details in the medical record that clearly support the Provider's statements should be cited.
  - The body of the appeal letter should reference the location of key elements supporting admission, with dates and times, such as, admission orders, observation orders, ED physician notes, H&P, operative notes, notes for each hospital day, and the discharge summary.
  - If the submitted medical record was page numbered, inclusion of the page number is helpful.

    - If the provider has portal access, the page number from the medical record pdf file document in the HMS Portal may be referenced.
- HHSC Medical and UR Appeals reviews the claim in its entirety, including medical necessity, accuracy of diagnoses, quality of care, and policy benefits; therefore, it may be necessary to explain medical necessity for inpatient services, as well as the initial DRG coding. If medical necessity is not met, diagnoses are not supported, or the service was not a Medicaid benefit, the claim may be subject to further adjustments, including possible recoupment.
- If a procedure is considered by Texas Medicaid policy to be an outpatient procedure, details in the medical record should be cited that clearly support the rationale for the medical necessity of performing the procedure as an inpatient procedure.
- If the case is a readmission denial, the appeal letter should address medical necessity issues for the preceding admissions and explain why the readmission was not preventable or was not a continuum of care from the previous admission.
- If the patient's eligibility is limited to Medicaid "Emergency Services Only," appeal letters should explain how criteria for an emergency medical condition were met and persisted, as defined in HHSC Form H3038 and the TMPPM.
    - The condition(s) that met criteria should be identified, as well as the start and end time of the limited period during which the emergency condition existed.
    - Any treatment after the emergency condition has been stabilized is not considered to be a benefit.
    - Treatment of chronic, non-acute conditions and scheduled and routine procedures, such as routine dialysis, chemotherapy, or physical/occupational therapy, are generally not considered emergencies.
- If the case is a DRG revision, most decisions are based on clinical validation, which is outside of the scope of coding.
    - Clinical validation involves a clinical review of the case to see whether the patient truly possessed the conditions (diagnoses) that were documented in the medical record, and if the diagnoses were properly sequenced.
    - Clinical validation is beyond the scope of DRG (coding) validation and the skills of a certified coder.

- This type of review can only be performed by a clinician.

- A valid, timely rebuttal (first-level appeal to HMS) and issuance of an HMS Upheld Decision are pre-requisites for appeal to HHSC Medical and UR Appeals. Therefore, it is important to ensure rebuttal letters are correct.
    - Common noncompliant issues with rebuttal letters include requesting the wrong entity or program to conduct a review and referencing the incorrect decision to be reviewed:
        - The rebuttal letter did not specifically request a review by HMS, i.e., it requested a review by HHSC, TMHP, Medicaid, or another program or entity instead.
        - The rebuttal letter did not specifically request a review of an HMS decision, e.g., it referenced a decision by HHSC, TMHP, or Medicare instead.
    - Whenever issues are discovered, providers should take immediate corrective action to prevent recurrence in future rebuttal letters, including required edits to letter templates.
    - Any correspondence related to HMS's exceptions for processing for review should be included and explained as part of the appeal letter.
- Attached is an example of a letter template that may be helpful to providers to ensure inclusion of information required to procedurally constitute a valid appeal.
    - The instructions for submission and required content are contained in the HMS Upheld Decision, documents on this webpage, and communications from HHSC Medical and UR Appeals.
    - If there is any discrepancy or conflict between this example letter and the HMS Upheld Decision instructions, the provider should contact HHSC Medical and UR Appeals at Utilization_Appeals@hhsc.state.tx.us for clarification.
    - This example letter was last revised March 2022.

May 28, 2020

HHSC Medical and UR Appeals
c/o HMS
5615 High Point Dr.
Irving, TX 75038

Submitted via [portal/mail/express delivery service - tracking number if available]

Provider Name: [Insert Provider Name]
TPI number: [Insert 9-digit Provider TPI Number as it appears in the decision letter]
Client Name: [Insert Client First and Last Name]
Medicaid Number: [Insert 9-digit Client Medicaid Number]
Dates of Service: [Insert first Date of Service}] thru [Insert final Date of Service]
{Note: dates should be for the entire episode of care for the medical records submitted.}
ICN: [Insert the 24-digit ICN case number assigned by Texas Medicaid]
Decision by: HMS
Decision Appealed: HMS Adverse Determination Upheld
Date of Decision Letter : [Insert date from the HMS Adverse Determination Upheld letter]

Dear HHSC Medical and UR Appeals:

{Insert request option (1) or (2), as appropriate for the author}

(1) {If the provider is the author of the letter, include:}

[Insert Provider Name] requests that HHSC Medical and UR Appeals conduct an appeal review of the HMS Adverse Determination Upheld Decision for the above referenced claim. A copy of the main decision letter with the "Audit Detail" for this claim is attached.

Or

(2) {If a third-party company is the author of the letter, include:}

On behalf of [insert Provider Name], [Insert Third-Party Company name] requests that HHSC Medical and UR Appeals conduct an appeal review of the HMS Adverse Determination Upheld Decision for the above referenced claim.

[Insert Third-Party Company name] is authorized to submit this appeal as per the attached provider representation agreement.

[Insert Third-Party Company name] understands that any correspondence regarding this appeal will be sent to [Insert Provider name], and [Insert Third-Party Company name] has arranged with [Insert Provider name] to coordinate receipt of any requests for additional information and decision letters.

{For all Appeals, include:}

[Insert Provider name] has carefully reconsidered the merits of its initial appeal ("rebuttal letter") and the details of the supporting documentation located in the previously submitted medical records based upon HMS's comments in the "Audit Detail" section "HMS Reconsideration Summary."

[Insert Provider name] maintains that the HMS Upheld Decision was incorrect for the following reasons:

[Insert explanation of rationale for why the HMS Adverse Determination Upheld decision was incorrect. When preparing explanation, the author should keep in mind the items previously outlined above.]

Example of Explanation:

1. [Insert Provider Name]'s initial appeal to HMS stated (point 1): _____. HMS's response was_____.
   [Insert Provider Name] disagrees with this finding because _____. This is supported by the medical record in the following locations: _____.

   or

   However, HMS did not respond to this comment, and the Provider maintains that (point 1) was valid.

{Repeat step 1 until all points are addressed}

2. In the HMS Reconsideration Summary, HMS raised the following new issues: [List new issues.]
   [Insert Provider name] disagrees with this because: [Detail the reasons for disagreement with the new issues].

   This is supported by the medical record in the following locations: [List specific notes, including, dates/times, page numbers, where documented in the medical record].

{Repeat step 2 until all points are addressed}

3. [Insert Provider name] is asserting the following for the first time: [Detail new assertions.]

   This is supported by the medical record in the following locations: [List specific medical record locations.]

{Repeat step 3 until all points are addressed, being mindful that issues asserted by HMS that are not rebutted by the provider, may be interpreted as provider agreement with those findings }

4. **[Insert concluding comments]**

[Insert Signature block, which should include a contact telephone number and/or email address**]**