

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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Office of Clinical Standards and Quality
Quality Improvement Group

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David Maltz, M.D.
President and CEO
The Oak Group
888 Worcester Street
Wellesley, MA 02482

Dear Dr. Maltz:

I am following up on our meeting with Senator Kennedy's staff and your subsequent letter. In both, you expressed concern that the Quality Improvement Organization (QIO) Program may have inadvertently created an appearance that it endorses a particular set of criteria (e.g. InterQual) for use by QIOs and hospitals for assessing the medical necessity of inpatient care.

QIOs are required to establish written criteria or obtain national criteria for non-physician reviewer use when screening cases for referral for physician review, but the Centers for Medicare & Medicaid Services (CMS) does not mandate or endorse the use of a specific criteria set by QIOs or hospitals. The Manual does require that the criteria be based on typical patterns of practice in the area and be reassessed regularly and updated as necessary to reflect current standards of practice. QIOs are required to consult with physicians and practitioners actively engaged in practice in the State when establishing or updating criteria. In addition, the QIO must request comments from physician organizations, the State Hospital Association, and the Medicare Carriers in the State. Providers and practitioners are encouraged to contact their QIO for information on how to participate in this process.

We have removed a reference to a particular proprietary criteria set, which was in the QIO Manual. The revised version is available on the CMS website at <http://www.cms.hhs.gov> under 'publications/program manuals/CMS Manual System/pub. 100-10, Quality Improvement Organization'. The subject matter of this letter is contained in Part 4 of the manual.

I would like to clarify two aspects of the use of criteria. First, in the Hospital Payment Monitoring Program our Clinical Data Abstraction Centers do use a commercial criteria set to screen for medical necessity of admission; however, both cases that fail the screen and a sub-sample of cases that pass the screen are sent to the appropriate QIO for final determination. Second, criteria, whether commercially available or developed by the QIO, are used by the QIO only as a screening tool to determine the need for further review of the medical necessity of

admission. The physician reviewer does not use these criteria; he or she makes the final decision based on professional medical judgment. Detailed information on non-physician screening and physician review is included in the QIO manual. Providers and practitioners are not required to have or use the criteria set used by the QIO.

As a part the Hospital Payment Monitoring Program, CMS staff, on an ongoing basis, reassess the appropriateness of the tools used in the conduct of that program, as well available options for improving our processes. To the extent appropriate and permissible, we will request input from pertinent industry representatives.

Thank you again for your letter. Please let me know if you have any further questions or if I can provide additional information the use of criteria in the QIO program and the case review process.

Sincerely,

A handwritten signature in black ink, appearing to read "Steph Jencks", written in a cursive style.

Stephen F. Jencks, MD, MPH
Director
Quality Improvement Group

Cc: Nancy Foster, Senior Associate Director
American Hospital Association