



DEPARTMENT OF HEALTH CARE SERVICES

Clinical Assurance and Administrative Support Division (CAASD)

Superior Systems Waiver Renewal

FACT SHEET

BACKGROUND

The Superior Systems Waiver (SSW) renewal request describes fee-for-service (FFS) utilization management in California hospitals for inpatient hospital stays.

1. The SSW waives certain federal utilization review requirements for acute inpatient hospitalization and allows Federal Financial Participation (FFP) reimbursement for monitoring and oversight using a combination of approaches including evidence-based medical criteria, such as InterQual® and MCG® (formerly Milliman Care Guidelines) and prior authorization depending on the type of acute inpatient service, the hospital type, and the characteristics of the beneficiary's health care coverage.
2. The current SSW expires September 30, 2017, and DHCS is seeking to renew the SSW for another two-year term October 1, 2017, through September 30, 2019.
3. The current SSW renewal reflects minimal changes from the existing SSW, i.e., changes include:
 - i. The timeline for transition to TAR-free status will be extended to 2021 to accommodate a continued measured implementation and to address challenges related to accessing electronic medical records (EMRs).
 - ii. Updates in language to reflect DHCS' use of hospital paid claims (versus hospital admission) data for sampling; and
 - iii. The introduction of an enhanced clinical data collection system that will address challenges discussed below.

PROGRESS TO DATE & CURRENT EFFORTS

Designated Public Hospitals (DPHs)

As of January 1, 2015, all 21 DPHs have completed their transition from DHCS reviewing 100 percent of all hospital days via the TAR process to the DPHs performing their own acute inpatient utilization review using evidence-based standardized medical review criteria.

Non-Designated Public Hospitals (NDPHs) & Private Hospitals

In April 2016, DHCS Medi-Cal Field Offices began monthly electronic reviews for admissions on or after February 1, 2016, for the first nine NDPHs and private hospitals that transitioned to TAR-free reviews.

1. Since then, DHCS completed several more transition phases with approximately 50 NDPH and private hospitals transitioning to TAR-free status. DHCS will continue a measured transition of the remaining NDPHs and private hospitals to TAR-free status.
2. Using a monthly pool of FFS Medi-Cal paid claims for NDPHs and private hospitals, DHCS continues to draw a post-payment/post-service data driven sample of cases to review to determine the medical necessity of admissions.
3. NDPHs and private hospitals are required to continue to submit TARs for FFS claims for most restricted aid codes, or those only allowing emergency and pregnancy-related services (non-delivery); hospice; acute rehabilitation stays; and administrative days, levels one and two.

IDENTIFIED CHALLENGES

Although DHCS is making good progress in implementing TAR-free reviews for all NDPHs and private hospitals, DHCS continues to encounter challenges in transitioning remaining NDPHs and private hospitals to the TAR-free process.

Those challenges include:

- i. limited access to hospital EMRs; and
- ii. managing numerous passwords and processes for DHCS staff.

ENHANCED CLINICAL DATA COLLECTION SYSTEM

As a long-term solution to EMR access challenges, DHCS is developing an enhanced clinical data collection system to collect clinical information needed for monitoring and oversight of TAR-free cases for Medi-Cal beneficiaries admitted to acute care hospitals.

This system will:

- i. accept an industry standard file that will contain clinical data; and
- ii. allow DHCS to collect data from hospitals in industry-standard formats; thus, reducing DHCS' reliance on accessing hospital EMRs.

The Superior Systems Waiver Stakeholder Information Page can be found at <http://www.dhcs.ca.gov/services/medi-cal/Pages/SuperiorSystemsWaiver.aspx>.