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CMS to MA Plans: Make Five-Step Appeals Process Available to Non-Contracted Hospitals

By Nina Youngstrom

In a Sept. 18 memo,^[1] CMS reminded Medicare Advantage organizations (MAOs) that a five-step appeal process is available to non-contracted hospitals and other providers when they appeal claim denials for MAO enrollees. Claim denials are not stuck inside an MAO's internal appeal process if the hospitals that provide the services don't have a contract with the MAO.

CMS wrote the memo because MAOs may not always properly process appeal requests from non-contracted providers (NCPs). Specifically, CMS said it has been informed that MAOs don't always give NCPs proper administrative appeal rights "after revising an organization determination." The first two steps of the five-step appeals process are internal to the MAO, and the last three steps are the same as Original Medicare (administrative law judge, Medicare appeals council and federal district court).

"It's pretty huge," said Lisa Banker, M.D., former chief medical adviser for revenue integrity at CarolinaEast Health System in North Carolina. "It's a shot across the bow to Medicare Advantage (MA) plans to stop doing what they are doing." CMS clarified that determinations include denials that result in "lower, but non-zero payment rates," said Edward Hu, M.D., system executive director of physician advisor services at UNC Health in Chapel Hill, North Carolina. He cautioned, however, that there's some ambiguity in how the memo applies.

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