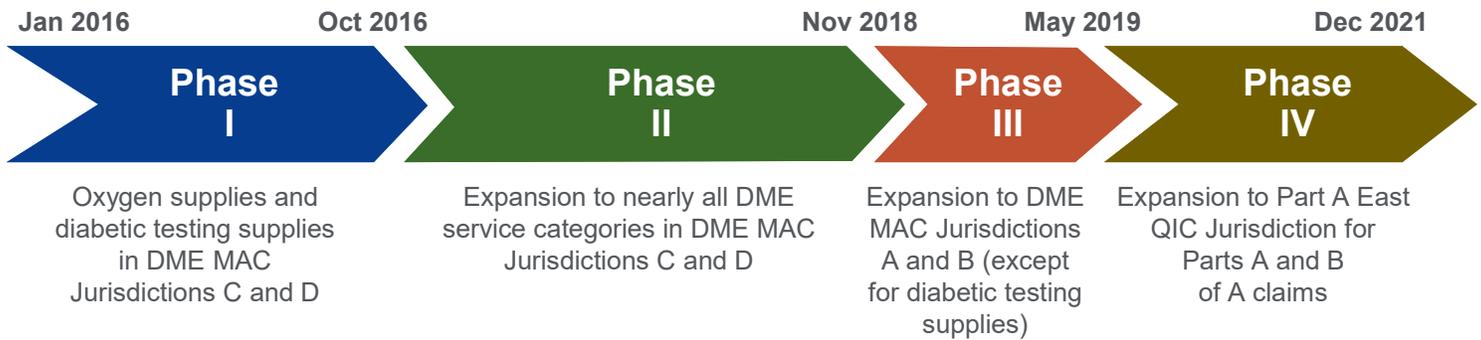




**DEMONSTRATION OVERVIEW**

In January 2016, the Centers for Medicare & Medicaid Services (CMS) established a Telephone Discussion and Reopenings Process Demonstration. The main Demonstration activities were telephone discussions, which were conducted by Qualified Independent Contractors (QICs) at Level 2 of the Medicare fee-for-service (FFS) appeals process; these discussions replaced standard on-the-record reviews. The QICs used these telephone discussions to educate Durable Medical Equipment (DME) suppliers and Part A providers on the claim submission and appeals process. Through these Level 2 telephone discussions and related QIC-facilitated reopenings and withdrawals of Level 3 appeals, the Demonstration was expected to achieve the overarching goals of improving the efficiency of the Medicare FFS appeals process and reducing the backlog of appeals at the Office of Medicare Hearings and Appeals (OMHA). These goals would be achieved through improved claim submissions and reduced appeal volumes at the Medicare Administrative Contractors (MACs) (Level 1), QICs (Level 2), and OMHA (Level 3) levels. This document covers both DME and Part A components of the Demonstration, which took place in four phases.

**DEMONSTRATION TIMELINE**



**DEMONSTRATION ACTIVITIES AND PARTICIPANTS**

Participation	 <b>DME</b>	 <b>Part A</b>
	<b>(January 1, 2016, to December 31, 2021)</b>	<b>(May 1, 2019, to December 31, 2021)</b>
<b>Telephone Discussions</b>	102,537 appeals and 201,900 claims	11,933 appeals and 17,232 claims
<b>Reopenings</b>	63,136 appeals and 132,412 claims	945 appeals and 957 claims
<b>Withdrawals</b>	62,993 appeals and 192,940 claims	3 appeals and 3 claims
<b>Telephone Discussion Participants</b>	8,457 NPIs and 3,735 DME supplier organizations The 28% of National Provider Identifiers (NPIs) that participated in at least one telephone discussion accounted for 82% of the DME Level 2 appeals workload.	2,559 NPIs and 2,192 Part A provider organizations The 26% of NPIs that participated in at least one telephone discussion accounted for 42% of the Part A Level 2 appeals workload.

**KEY EVALUATION FINDINGS**

Outcomes	 <b>DME</b> (January 1, 2016, to December 31, 2021)	 <b>Part A</b> (May 1, 2019, to December 31, 2021)
Overall Appeal Volume Change	<ul style="list-style-type: none"> <li>• Reductions at all three appeal levels</li> </ul>	<ul style="list-style-type: none"> <li>• Reductions at Levels 1 and 2</li> <li>• An unexpected increase at Level 3</li> </ul>
Appeal Volume Change by Supply/Claim Type*	<ul style="list-style-type: none"> <li>• Level 1: Reductions for oxygen supplies and other DME items</li> <li>• Level 2: Reductions for oxygen supplies and other DME items</li> <li>• Level 3: A reduction for oxygen supplies; no change for other DME items</li> </ul>	<ul style="list-style-type: none"> <li>• Level 1: Reductions for outpatient, skilled nursing facilities, and home health; no change for inpatient; an increase for hospice</li> <li>• Level 2: Reductions for all five claim types</li> <li>• Level 3: Unexpected increases for inpatient and home health; no change for outpatient, skilled nursing facilities, and hospice</li> </ul>
Additional Outcome Findings	<ul style="list-style-type: none"> <li>• An increase in the Level 1 appeal favorability rate</li> <li>• An increase in the percentage of unfavorable Level 2 appeals that were appealed to Level 3</li> <li>• A reduction in the volume of total pending claims at Level 3</li> </ul>	<ul style="list-style-type: none"> <li>• An increase in the Level 1 appeal favorability rate</li> <li>• No change in the percentage of unfavorable Level 2 appeals that were appealed to Level 3</li> <li>• No change in the volume of total pending claims at Level 3</li> </ul>
Experience and Satisfaction Survey Findings	<ul style="list-style-type: none"> <li> <b>91%</b> of <b>3,010</b> supplier respondents were satisfied with the telephone discussion experience</li> <li> <b>91% agreed</b> that the DME QIC clearly explained the Medicare requirements and policies that applied to the claim discussed</li> </ul>	<ul style="list-style-type: none"> <li> <b>91%</b> of <b>1,028</b> provider respondents were satisfied with the telephone discussion experience</li> <li> <b>92% agreed</b> that the Part A East QIC clearly explained the Medicare requirements and policies that applied to the claim discussed</li> </ul>

\* Results not applicable for Diabetic Testing Supplies for all DME MAC jurisdictions combined because the Demonstration only covered this supply type in DME MAC Jurisdictions C and D.

**KEY TAKEAWAYS**

 **DME**—The data analysis for the six years of Phases I–III of the Demonstration suggested that participation in telephone discussions held by the DME QIC was associated with a reduction in appeal volume at all three levels.

 **Part A**—Thirty-two months into the Phase IV Demonstration, the appeal volume at Levels 1 and 2 showed a reduction. However, there was an increase in the volume of appeals at the OMHA level, although evidence suggested this was not caused by the Demonstration.

 For both the **DME and Part A** components of the Demonstration, although the quantitative impact estimation methodology did not allow for a fully causal interpretation of the findings due to methodological limitations, the triangulation of quantitative and qualitative evidence suggested that the Demonstration was likely a driving force of the substantial beneficial effects estimated.