

COVID-19, Furloughs, and Lost Revenue

Case Study: [Denial Prevention](#)

Patient Profile

Two Medicare Advantage beneficiaries were presented to a Washington hospital and were diagnosed with COVID-19. The Medicare Advantage Organization's protocol prevented the plan from transferring the COVID patients to a non-designated COVID facility. The MAO denied authorization at the non-MAO facility based on medical necessity. Patients were transferred to the hospital system's designated COVID facility. Upon admission, the MAO was notified and received an inpatient authorization. MAO denied admission stating they were not notified prior to the transfer.



Results

- Once inpatient authorization requests were submitted to the MAO, the MAO had 1 hour to issue a pre-approval (42 CFR 422.113(c)(2)).
- Failing to provide a pre-approval, the MAO's financial responsibility ends when:
 - the plan assumes care of the patient
 - the patient's physicians come to a peer-to-peer agreement with an MAO physician
 - the patient is discharged (42 CFR 422.113 (c)(3)).
- Because the MAO declined the transfer of the patient, no MAO physician assumed care of the patient at the non-MAO facility, and the MAO couldn't come to an agreement with the treating physician, the MAO's financial responsibility would end when the patients were discharged.

ERN TRAF Success

In April 2020, ERN sent an authorization demand and Notice of Intent to File CMS Complaint.

On the same day, the MAO director responded to the demand stating, *"Both cases have been approved for inpatient after a discussion with the hospitalist."*

In mid-April 2020, both patients were discharged and in May 2020, the MAO reimbursed all services rendered to the Medicare beneficiaries.