



August 22, 2014

Patrick Conway, M.D.  
Deputy Administrator for Innovation & Quality, Chief Medical Officer  
Center for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
200 Independence Avenue, S.W.  
Room 445-G  
Washington, DC 20201

Dear Dr. Conway:

The American Hospital Association (AHA) and the Federation of American Hospitals (FAH) support the Centers for Medicare & Medicaid Services' (CMS) efforts to improve the Quality Improvement Organization (QIO) program and look forward to working with you, your staff and the newly designated QIOs over the next five years. However, during the first few weeks of the new contracts, there have been a number of missteps that we want to call to your attention. While we have informally communicated these problems to your staff and they have been extremely responsive, we wanted to more formally share our concerns and note that these missteps have distressed patients and hospitals.

We understand that any new system will have its challenges, and know that your staff is working to resolve the issues as quickly as possible. However, the transition to the two new national QIO contractors for Beneficiary and Family Centered Care (BFCC) is not working as it should for patients and hospitals, and it will require on-going leadership attention until it is working well.

The following are some of the challenges that patients and hospitals have faced since the new contract began Aug. 1 with the BFCC QIOs processing appeals of hospital discharges.

- Patients and hospitals are waiting, in some cases 10 or more days, for a decision from the QIO on whether a discharge should occur. The 24 to 48 hour goal for a decision on a patient discharge appeal is rarely met.
- It takes too long for hospitals and patients to reach the QIO by phone. Some hospital staff were on hold for as much as six hours before reaching a BFCC staff member to file an appeal request. We have heard similar stories from patients or family members who have been on hold for up to two hours.
- Hospitals have spent hours faxing documentation to the QIO rather than sending files electronically because the secure electronic data transmission systems are not in place for at least one QIO.
- Paperwork that has been sent has been lost by the QIO in several instances.

- BFCC reviewing physicians are overwhelmed with the volume of requests and charts.
- Documentation of a decision from the BFCC back to the hospitals is either faxed or transmitted orally. As stated above, this is occurring because there is no secure electronic transmission mechanism.
- BFCC decisions have been sent to patients instead of hospitals, and in some instances decisions have been sent to the wrong hospital contact, causing further delays.
- Conflicting information has been given to patients and hospitals about what the BFCC's decision was on an appeal.
- Patients are being told that their extended stay was not approved, and they are now responsible for multiple days of full Medicare charges.

All of these challenges directly impact patients' health and financial well-being, as well as hospitals' ability to efficiently manage the provision of care. Hospitals are concerned that there will be further ramifications for their patients who may be confronted with significant bills for the services Medicare will not reimburse. Some patients may be reluctant to return to the hospital because this appeal process was so frustrating. In addition, hospitals are concerned that these cases may receive attention from Recovery Audit Contractors or Medicare Administrative Contractors because the length of stay is extraordinary.

We know your staff is working with the QIOs to resolve these issues, and we very much appreciate the leadership of Jean Moody Williams and Rick McNaney, and the diligence of all the staff working with them on these urgent problems. Unfortunately, these are not the only issues emerging from the transition in the QIO contracts. For nearly nine years, the hospital quality reporting process has been rather seamless, and that was due in large part to an extremely responsive help desk and good communication among the QIO, CMS, vendors and hospitals. All parties knew where to find answers and how to resolve issues in a timely manner. However, that seamlessness did not continue when the contract was transferred for Quality Net this past month. The AHA and FAH worked closely with your staff to mitigate the immediate problems of hospitals being unable to receive their preview reports for the Hospital Readmissions Reduction Program (HRRP) and the Hospital-Acquired Condition (HAC) Reduction Program. We appreciate your staff's responsiveness and the agency's willingness to work with individual hospitals to resolve problems with the HRRP and HAC reports.

We greatly appreciate the flexibility that your staff has exhibited in dealing with the quality data reporting issues. For example, we were very pleased with the decision to extend the deadline for previewing and verifying the readmissions and HAC data. We are compiling information on other Quality Net issues and will share them with you and your staff as soon as we have what we believe is a complete list.

Hospitals are managing all of these issues at the same time and are concerned that there could be significant patient and payment consequences. We are seeking your guidance on the best way to protect patients and hospitals from unintended consequences resulting from all of these changes.

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As always, we would be glad to have a conversation and bring together hospital leaders and others who can help to develop solutions. We look forward to hearing from you if we can be of help.

Sincerely,

/s/

Nancy Foster  
Vice President, Quality & Patient Safety Policy  
American Hospital Association

Jayne Hart Chambers  
Senior Vice President Quality  
Federation of American Hospitals