

Empire State Medical, Scientific & Educational Foundation, Inc.
Report to MSSNY House of Delegates

May 20-21, 2022

ORGANIZATION AND STRUCTURE

The Empire State Medical, Scientific and Educational Foundation, Inc. (Foundation) is a non-profit corporation focused on providing quality medical peer review services throughout New York State and Nationally. The Foundation is URAC Certified as an Independent Review Organization: Comprehensive.

The Foundation has been involved in statewide and national medical review since 1984. Our mission is *“to support the concept of quality physician and medical peer review throughout New York State and the Nation, by developing and implementing innovative utilization review, quality assurance and educational programs for the practitioner, payor and patient communities”*.

As an independent peer review organization organized and sponsored by the Medical Society of the State of New York (MSSNY), the Foundation maintains a cooperative relationship with MSSNY in terms of access to its membership of over 20,000 medical practitioners of all specialties, many of who actively participate in the peer review activities of the Foundation and in their local medical communities.

The Board of Directors, the decision-making body of the Foundation, is composed of 10 members with Statewide representation. To facilitate ongoing policy development and organizational oversight, there is an Executive Committee empowered to act on behalf of the full Board as necessary.

OFFICES

The Foundation maintains review offices in Long Island and Upstate New York, in addition to administrative offices in Long Island.

SUMMARY OF ACTIVITY

External Appeal Review Services:

The Foundation continues to perform external appeal review services for hospitals and payors throughout New York State. Hospitals and payors contractually designate the Foundation to serve as their dispute resolution/external appeal agent. Issues reviewed under these programs include:

Medical Necessity of:

- Admission to acute level of care
- Admission to observation level of care
- Admission to an exempt unit (Psychiatric, Rehabilitation, Drug/Alcohol)
- Length of hospital stay at acute/sub-acute level of care
- Length of stay in an exempt unit
- Readmission to acute care hospital

DRG Assignment based on:

- Principal diagnosis
- Secondary diagnosis
- Principal procedure
- Secondary procedure
- NYS Grouper Logic
- Medicare Grouper Logic

Medicaid Retrospective Review

Through a subcontract arrangement with the Island Peer Review Organization (IPRO), the Foundation performs retrospective review of Medicaid cases for hospitals in the Upstate area. In addition, the Foundation performs cost outlier review for all hospitals located throughout New York State. The Foundation has a twenty-three (23) year history of subcontracts with IPRO.

The scope of review services includes:

Retrospective Review of Inpatient Hospital Stays:

- Medical necessity of admission
- Medical necessity of the acute length of stay
- Medical necessity of admission to an exempt unit (Psychiatric, Rehabilitation, Alcohol/Drug)
- Quality of Care review
- HAC Reporting (Hospital Acquired Conditions)
- Coding and DRG validation

Cost Outlier Review:

- Medical necessity of admission
- Medical necessity of the acute length of stay
- Quality of Care review
- Coding and DRG validation
- Line-by-line review of itemized charges to ensure that all items/services charged for were ordered and provided

URAC Certification

The Foundation currently holds a URAC certification as an '*Independent Review Organization: Comprehensive Review (Internal and External)*'. Though the first 6 months of 2022, we will be completing the required paperwork for re-certification with URAC. URAC will then perform a review of our activities toward the end of 2022 and render a determination regarding re-certification.

IT Project

The Foundation has been working to upgrade our dispute resolution review process to a fully electronic platform. This will allow hospitals and payors to submit documentation including medical records, to us electronically. This will also allow our review staff including nurses, coders, and physicians to review cases remotely through an online portal.

The Foundation is also working with IPRO to move the Medicaid review program to an electronic platform. As of 2/2/2022, we will be reviewing retrospective review cases using the electronic

platform. Our nurses/coders and physician reviewers are being trained on this platform. Fortunately, some of our physicians also review for IPRO and therefore are familiar with the process. It is anticipated that over the next 6-8 months the Medicaid process will be fully electronic.

Financials

The outside audit of the Foundation financials began in January. The Foundation's Controller is working closely with the audit firm and with the Audit Committee to ensure the process is handled accurately and efficiently. A copy of the previous audited financial report was submitted to the MSSNY HOD held in September 2021.

In follow up to a request from the Board of Directors, the Foundation Controller put out a Request for Proposal (RFP) seeking proposals from investment companies who may be able to assist the Foundation with cash management options, including investments. Proposals will be reviewed and provided to the Investment committee for further review and recommendation.

Physician Reviewers

The Foundation needs physician reviewers in the following specialties: Cardio Thoracic/Surgery, Neurosurgery, Addiction Medicine, Neonatology, Hematology, Infectious Disease, Urology. The physicians must be Board Certified, licensed in New York State, and in active practice within the last 3 years. If you or a colleague are interested in becoming a physician reviewer for the Foundation, applications are available on the Foundation website.

Thank you for this opportunity to update the MSSNY HOD on the activities of the Foundation.

Respectfully submitted,

Leah McCormack, M.D.
President – Board of Directors