MCO Stories

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Medicaid MCO Issues Impacting:

Children

- **A young child on dialysis was denied authorization for a kidney transplant listing** and transplant. The reason from the MCO: "She seems to be doing well on dialysis." That decision delayed the child's transplant listing for several weeks and resulted in considerable time spent by the clinical team to appeal the denial. The hospital's program treats patients with end-stage kidney disease.

- **A baby born in 2024 was exposed to cocaine in utero** and taken into protective custody by DCFS two weeks after delivery, due to the mother's drug abuse and maternal psychiatric history. The hospital discharged the infant approximately 35 days later. During that time, the MCO denied authorization for 10 days of the baby's inpatient stay citing lack of medical necessity, despite the baby having no other safe place to go. The neonatologist pleaded the situation with the MCO, which resulted in authorization for those 10 days and two more. The MCO denied approval for the day the family received caregiver training-the day before discharge.

- **A physician at an academic medical center** performed emergency surgery on a 16-year-old with a trans-pelvic gunshot wound in 2023. The child was discharged with plans to return for another surgery, with an expected inpatient hospital stay of 2-3 days, once their bowels had healed. The patient's MCO would only approve the procedure as outpatient, saying the hospital could request inpatient once the patient is admitted. Of note, because of the complexity of this procedure, the Centers for Medicare & Medicaid Services lists the procedure as "inpatient only" for the Medicare population. Three months later, on the day of the procedure, the patient's mother said her child was unable to do the required bowel prep because the insurance would not cover it and it was too expensive for her to pay out of pocket. The patient's procedure had to be moved to a later date. The MCO approved the procedure, only if done in the least appropriate setting, but would not approve the pharmacy products needed to prep for the procedure.

Small and Rural/Critical Access Hospitals

- **A rural southern Illinois Critical Access Hospital** began the pre-authorization process for a patient's echocardiogram in 2024. This common test allows physicians to detect heart conditions including heart disease, the leading cause of death in the U.S. among men, women, and people of most racial and ethnic groups. The credentialing specialist followed up 10 times after initiating the pre-authorization request, and finally received approval 20 days later.

Patients with Behavioral Health Diagnoses

- **A patient with a history of schizophrenia** was transferred to a neuro science ICU in 2023 and, over a week later, transferred to a general medicine floor. The patient was experiencing delusions and hallucinations, was yelling at and attempting to hit staff, and

ultimately needed to be restrained. By the end of the next month, the hospital discharged the patient with a plan to follow up with outpatient psychiatry, because the MCO denied authorization for inpatient behavioral health as recommended by the patient's care team.

- **A suicidal patient** went to a hospital emergency department in 2023 and the hospital admitted the patient as an inpatient. The patient's condition met inpatient level of care based on nationally recognized clinical guidelines. The patient was still suicidal two days later, which was documented in the clinical packet submitted to the MCO. The hospital discharged the patient after a five-day inpatient stay. The health plan approved only one inpatient day, despite the patient's clearly documented continued suicidal ideation and plan to carry out suicide. The denial was upheld after a peer-to-peer review.

Other Patients

- **A patient with HIV/AIDS presented at an academic medical center** in 2023 with a severe case of mpox, deep vein thrombosis, hearing loss and bacteremia (bacteria in the blood). He was seeking wound care for extensive mpox lesions, which required long-term acute care hospital (LTACH) level of treatment. After several weekly calls with the LTACH, the hospital leadership worked with the MCO team to facilitate the transfer. He was accepted to the LTACH, yet the MCO did not provide authorization. With his condition worsening, the patient opted for palliative care and died with family at his bedside four months later.
- **In 2024, a patient came to a hospital emergency department for hip and back pain due to sickle cell crisis**, which had been present for a week. The hospital treated the patient as an outpatient for five days before admitting the patient for inpatient care. The patient's condition met inpatient level of care based on nationally recognized clinical guidelines, yet the MCO denied the request. A peer-to-peer review was held nine days after admission, during which the MCO's medical director indicated that the patient met the MCO's clinical criteria for inpatient level of care, but the MCO's leadership said they should not use the clinical criteria because there "has to be more than just IV pain meds to approve an inpatient admission." The denial was upheld.
- **A hospital admitted an elderly individual with a small bowel obstruction in 2023.** The patient had an intra-abdominal abscess requiring advanced wound care and was only able to get daily nutrition via IV. The surgical team recommended transfer to a long-term acute care hospital (LTACH) facility, yet the MCO denied placement, even after a peer-to-peer review. The MCO issued the denial despite indicating unfamiliarity with the wound's complexity. An expedited appeal resulted in approval for LTACH placement after three days**.** The patient's stay was prolonged for those three days due to the MCO's initial denial.
- **An MCO denied inpatient level of care for a patient with S-T Elevation Myocardial Infarction (STEMI),** a type of heart attack that mainly affects the heart's lower chambers, as the reason for admission. Instead, the MCO reviewed the case under the guidelines for post-operative bleeding, citing the order for admission (based on STEMI) was not written in

a timely manner. After the patient arrived at the hospital emergency department, clinicians noted the STEMI and rushed the patient to the cardiac catheterization lab where the patient went into cardiac arrest and shock. The bleeding occurred after transfer of the patient, and the patient underwent a procedure to control the bleeding. Once the patient began to stabilize in the ICU, the clinician had time to leave the bedside and place orders for admission.

- **A patient came to a southern Illinois emergency department with back pain and was found to have metastatic lesions** impacting the bones throughout her body. Despite an unusual appearance to one ovary, the patient's MCO wouldn't approve additional imaging until ovarian tumor markers were indicated. Since those were negative, the MCO would not approve imaging or a gynecologic oncologist visit. The hospital's oncology team, fearing for the safety of the patient, said they would proceed and see the patient that week and would have the cancer center team help with insurance issues.
- **With limited support from a quadriplegic patient's MCO**, a 23-year-old stayed in the hospital for 93 days—with 29 MCO denials for services the patient received by day 56. The patient had additional complex needs including a home ventilator and wound care. Hospital leaders contacted MCO leadership daily to discuss the case. Prior to this extensive length of stay in 2022, the patient had six hospitalizations, five emergency department visits within the year, and treatment for pneumonia and sepsis.
- **A hospital secured placement in a long-term acute care hospital (LTACH)** for a complex patient requiring frequent suctioning, in-house dialysis, tracheotomy and a feeding tube. The hospital submitted a prior authorization request to the MCO the same day. The patient's condition met LTACH level of care under nationally recognized clinical guidelines. The MCO denied the request three days later indicating that the patient should be transferred to a skilled nursing facility (SNF) instead. The denial was upheld after a peer-to-peer review. The hospital contacted multiple SNFs, including the SNF previously caring for the patient, and none would take the patient due to the patient's complexity. The hospital filed an expedited appeal, but the MCO stated they would not treat the appeal as expedited because the patient was in a safe setting. The MCO upheld the denial on appeal. After several follow-up attempts, the hospital finally met with the MCO's chief medical officer, who approved the request. The patient was ready for discharge but remained in the hospital 28 days due to MCO delays.