

ability to respond to recipient inquiries regarding bills or requests for payments from Medicaid providers for services the recipient believes should have been paid by the Medicaid Program.

B. The Unit shall resolve all telephone and written inquiries from recipients regarding denied claims or coverage as follows:

(1) Initial Inquiries

Unit personnel shall attempt to resolve all telephone inquiries from recipients during the course of the telephone conversation. If at the conclusion of the telephone conversation, the disputed claim or coverage is still denied or unresolved by the Medicaid Program, staff of the Unit shall determine which of the following types of written notice is appropriate to the particular inquiry in question and shall cause such notice to be promptly mailed to the recipient at the same address at which he receives his Medicaid card:

- (a) The written notice shall indicate that a disposition of the inquiry cannot be made until further information is submitted to the Unit by the recipient; the notice shall briefly indicate the nature of the needed information or documentation and shall indicate where the recipient is to direct such information or documentation.
- (b) The notice shall indicate that a decision has been made to continue to deny the claim and shall briefly set out the reasons for such denial. The notice shall inform the recipient of his right to appeal the denial further by calling the appeals representative in the Unit at a specified 800 area code toll-free telephone number, or by contacting the local office of the Tennessee Department of Human Services (hereinafter "TDHS").

(2) Follow-up Inquiries and Appeals

Recipients who contact local offices of the TDHS, or who call the Unit's appeals representative designated in the written notice described above, shall be informed of the administrative appeals procedures available to them and shall be assisted in completing and filing the written form necessary to invoke such administrative appeal rights. If, at the conclusion of a telephone conversation between the recipient (or someone calling on his behalf) and the Unit's appeals representative, the disputed claim is still denied or unresolved, a brief form used for initiating an appeal shall be mailed to the recipient. A self-addressed, return postage

guaranteed envelope or card shall be enclosed, along with instructions for completing and returning the form. In situations where it is deemed necessary or appropriate to the recipients' exercise of his appellate review rights, TDHS or Unit personnel whom he has contacted shall fill out the written appeal form over the telephone or otherwise directly assist the recipient in perfecting his appeal. Recipients shall be advised of the availability of legal assistance or representation without charge, where locally available.

- (3) In no case shall a recipient be denied the right to file a request for a hearing, but no opportunity for a hearing need be provided where the sole issue involved in the denial of a claim or coverage is a question of federal or state law requiring an automatic change adversely affecting some or all recipients.
- (4) If the Medicaid Program finally determines that a Medicaid recipient is being requested to pay for medical services contrary to the statutes, regulations, and/or contractual obligations of Medicaid providers, then the recipient shall be so notified. The provider shall also be given notice of this determination. The provider shall be notified of his right to a hearing to contest the determination in accordance with the procedures established for such hearings.

II. The Medicaid Program shall provide access to the Recipient Inquiry Unit as follows:

A. The Unit shall operate a toll-free 800 area code number throughout the state to receive inquiries from Medicaid recipients. The telephone shall be operated during all regular business hours of the state of Tennessee. The unit shall process telephone inquiries in such a manner as to maximize the number of inquiries which can be resolved during the course of the telephone communication.

B. The Unit shall develop and make available written forms upon which Medicaid recipients can lodge complaints or initiate appeals to the recipient inquiry unit. These forms shall also be available in all county public health and TDHS offices in the state, in all local offices of the Social Security

Administration (to the extent that the defendants are able to obtain the Social Security Administration's cooperation and assistance in making such forms available through their offices) and in the Unit itself.

C. The Medicaid Program shall enhance the ability of local TDHS offices to resolve Medicaid recipient inquiries made to those offices. Specifically, within 30 days the defendants shall file with the court a plan detailing the manner in which the defendants will ensure their compliance with this paragraph. The plan shall provide for the establishment and maintenance of a dedicated phone line in the Unit for use by TDHS personnel seeking to assist recipients with questions or appeals regarding denials of Medicaid claims or coverage. The plan shall also provide for liaison between the Unit and TDHS, for the training of TDHS personnel and for the establishment and maintenance of management mechanisms which will ensure that TDHS staff effectively carry out the responsibilities imposed upon them under the terms of this order.

3. The Unit shall maintain an ongoing program of quality control to ensure the efficient and proper operation of the unit. Such systems shall include a log listing all inquiries to the unit with sufficient information to account for the proper handling of the inquiry. In addition, within 30 days of the entry of this order, the defendant shall file a plan setting forth the methods by which they will ensure compliance with this paragraph. The plan shall address the frequency and manner in which the defendants will conduct audits, samplings, telephone systems analyses or other such accepted management tools as are

necessary to determine the efficiency and effectiveness of the unit in fulfilling its responsibilities under the terms of this order. Reports generated by the quality control program shall be available to the plaintiff's counsel on request.

4. The Medicaid Program shall ensure that recipients are aware of the unit and that complaints regarding provider billing can be lodged with the unit. Specifically, the Medicaid Program shall design the recipient Medicaid card sent monthly to all recipients to contain a notice of the toll-free 800 area code number into the unit. In addition, the monthly card shall contain a statement as to the rights of the recipient to obtain a determination as to the appropriateness of any request for payment or billing from a Medicaid provider. The foregoing information shall also be set forth in a pamphlet or other publication produced for Medicaid recipients. Such pamphlets shall be distributed to recipients at the time of their initial application for Medicaid benefits, at the time of any recertification interview, and shall be mailed annually to all Medicaid recipients. This and other recipient notices required by the terms of this order shall be drafted in a manner reasonably calculated to ensure their readability.

5. Notice of the complaint and appeal rights prescribed by this order shall be afforded in the following manner to those individuals who have been determined to be eligible for Medicaid benefits in the past, but who are not currently eligible for the program, for the purpose of affording them an opportunity to correct a wrongful denial of a provider claim for their care during the period when they were covered by Medicaid:

(A) Notice shall be mailed to the last known address of all former recipients who were eligible within the past two years preceding the entry of this order.

(B) Public notice shall be provided through the issuance of press releases and through the distribution of public announcements for posting and/or distribution in county public health offices, , county TDHS offices, local offices of the Social Security Administration, community action program offices, human resource agency offices, local public housing authority offices, and consumer credit counseling service offices. In addition, notice shall be included in bulletins to the staff of TDHS offices and to all Medicaid providers. Notice shall also be sent to the clerks of General Sessions Courts throughout the state and to clerks and Chapter 13 Trustees of the Bankruptcy Courts in Tennessee.

6. In resolving disputed claims or coverage, the Medicaid Program shall make all reasonable efforts to retrieve and apply automated program records relevant to the disputed issue. Where relevant program records no longer exist or are not reasonably accessible, the Medicaid Program shall affirmatively assist the recipient in filling out and submitting a declaration or other documentation reasonably necessary to establish his claim.

7. The provisions of this consent decree set forth above shall be fully implemented by the Medicaid Program no later than September 1, 1986.

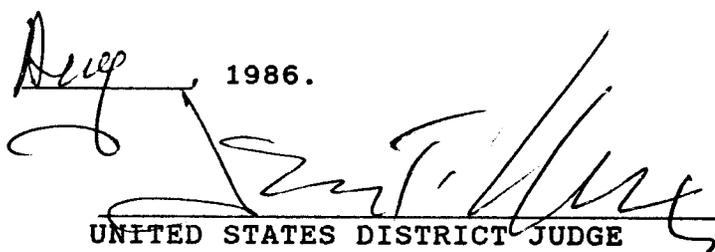
8. The procedural rights afforded by the terms of this order shall not affect the substantive rights of any party.

9. Pursuant to Rule 23(c)(3) of the Federal Rules of Civil Procedure, the Court finds that the members of the plaintiff subclass previously certified under subdivision (b)(2) of Rule 23 and bound by this order are described as follows:

Tennessee Medicaid recipients, including persons who have been Medicaid recipients at any time during the pendency of this action, who have not been notified when claims for Medicaid payments filed by providers have been denied, or have not been notified of the reasons for denial of payment, or have not been notified of their fair hearing rights.

The Court further determines pursuant to subdivision (e) of Rule 23 that the compromise set forth in this consent decree adequately protects the rights of the plaintiff class thus defined. The Court determines, therefore, that no notice of the terms of the compromise need be given the class prior to the entry of this decree.

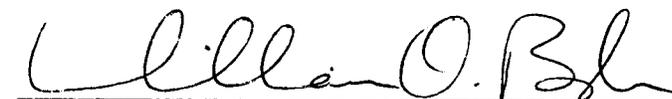
ENTERED this 18th day of Dec, 1986.


UNITED STATES DISTRICT JUDGE

Entered by agreement:


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