

# ***Empire State Medical, Scientific & Educational Foundation, Inc.***

## ***Report to MSSNY House of Delegates***

April 21-23, 2023

### **ORGANIZATION AND STRUCTURE**

The Empire State Medical, Scientific and Educational Foundation, Inc. (Foundation) is a non-profit corporation (501C-3) focused on providing quality medical peer review services throughout New York State and Nationally. The Foundation is URAC Certified as an Independent Review Organization: External Review.

**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”.**

The Board of Directors, the decision-making body of the Foundation, is composed of nine (9) 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 Westbury and Syracuse, NY.

### **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: External Review'*. As experts in evidence-based measures and specifications, URAC has been the gold standard of accreditation for the healthcare industry since 1990. URAC's mission is to promote continuous improvement in the quality and efficiency of healthcare management.

### **IT Project**

The Foundation has upgraded our independent external review program to a fully electronic platform. In July 2022, the decision was made to move to a new vendor for our electronic platform. We have moved to a new vendor who is a leader in software development in the medical review industry. The new vendor achieved its SOC 2 + HiTRUST Type 1 report, with a goal of completing the SOC 2 + HiTRUST Type 2 report by the end of 2023. This was an important factor in the decision as the hospitals and payors demand security of the medical documentation submitted to us for our review.

The Foundation also worked with IPRO to complete the transition of the Medicaid review program to a fully electronic platform as well.

## **Grants**

The Foundation is pleased to have made a **\$10,000** grant to the MESF in support of the David B.L. Meza, III, MD lecture series, spearheaded by Dr. Mehta. The lecture series was informative and very well received.

The Foundation also made a **\$140,000** grant to MESF for their charitable projects.

## **Financials – Audit**

The outside audit of the Foundation financials began in January. As reported in 2022, the Audit committee issued an RFP and sought proposals from audit firms throughout New York State to serve as the auditor for the Foundation. The Audit committee reviewed proposals from several audit firms and ultimately selected Dermody Brown and Burke. This decision was based on several factors including experience with 501(c)(3) entities, references, and price. Upon completion of the audit, the audit firm will present their findings to the Audit committee and Foundation Board of Directors. The Audit report will be presented to the Member and the annual meeting of the Member.

## **Financials – Investment Policy**

The Foundation Investment committee created an Investment Policy and Procedure approved by the Board of Directors at their February meeting. The committee then met to review proposals submitted in response to an RFP from four (4) investment firms. The committee narrowed the choice and interviewed two (2) investment firms. A final decision and selection of an investment firm will be made in the next month.

## **Physician Reviewers**

The Foundation needs physician reviewers in the following specialties: Cardio Thoracic/Surgery, Neurosurgery, Addiction Medicine, Obstetrics/Gynecology, 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