



Subject: <b>Utilization Management</b>	Procedure: <b>Inter-Rater Reliability (IRR) Procedure</b>	
Last Updated: <b>1/21/2025</b>	Owner: <b>Managed Care Operations</b>	Pages: <b>3</b>

## I. PURPOSE

To provide a monitoring system that measures consistency in decision making with respect to the application of medical necessity criteria, benefit parameters, and level of care. To define a means of monitoring inter-rater reliability to assess the objectivity and consistency with which utilization management licensed staff apply medical review criteria.

## II. DEFINITIONS:

- A. Indicia:  
The interactive software platform from MCG Health that provides utilization management staff access to evidence-based care guidelines and supports clinical decision-making.
- B. Inter-Rater Reliability (IRR):  
A performance measurement to compare and evaluate the level of consistency in healthcare determinations between two or more behavioral health utilization management clinicians.
- C. Levels of Care:  
The range of available services varying in frequency, intensity, and duration required to meet the needs of persons served in the most suitable and cost-effective care setting.
- D. MCG Health:  
A company that provides clinical guidance to healthcare organizations by using evidence-based guidelines to support clinical decision-making through a process of documenting medical necessity and daily progression of care to optimize prior authorization workflows.
- E. Medicaid Provider Manual (MPM):  
The manual details the eligibility, coverage, billing, and reimbursement policies for all health insurance programs administered by the Michigan Department of Health and Human Services (MDHHS). The Behavioral Health and Intellectual and

Developmental Disability Supports and Services chapter specifically addresses the coverage policies and reporting requirements for services provided through Prepaid Inpatient Health Plans (PIHPs).

F. Medical Necessity:

Determination that a specific service is medically (clinically) appropriate; necessary to meet needs; consistent with the person's diagnosis, symptomatology, and functional impairments; is the most cost-effective option in the least restrictive environment; and is consistent with clinical standards of care. The medical necessity of a service shall be documented in the individual plan of service (IPOS).

### III. PROCEDURE:

A. Inter-rater Reliability (IRR) testing is conducted for the following reasons:

1. To minimize variation in application of clinical guidelines.
2. To evaluate staff's ability to identify potentially avoidable under or over utilization of services.
3. To evaluate staff's ability to identify quality of care issues.
4. To target specific areas most in need of improvement.
5. To identify staff needing additional training.

B. All Managed Care Operations (MCO) licensed utilization management staff will be tested using the MCG Inter-Rater Reliability Module found on the Indicia platform.

1. Staff will be assigned vignettes in which they must find the appropriate clinical guideline(s) and apply the guideline criteria appropriately.
2. The MCO Administrator and/or Clinical Supervisor will select the vignettes that represent typical authorization and level of care decisions the staff will encounter.
3. A minimum passing score is eighty-nine percent (89%).
  - a. Staff will be required to pass each IRR test to be considered compliant.
  - b. The MCO Clinical Supervisor will develop an education plan for their staff members who score below the eighty-nine percent (89%) threshold and for the ongoing monitoring of the education plans until the required target is met via a re-test.
  - c. Retesting is expected to occur within thirty (30) days of the initiation of the education plan.
  - d. If staff fail to pass the re-test, the MCO Clinical Supervisor will discuss the next steps of evaluation with the MCO Director.

- C. All licensed utilization management staff will be tested at the following frequency:
  - 1. Post three (3) months of employment.
  - 2. Twice annually. Staff that have not been with the organization for a period of three (3) months at the time of testing will be exempt.
- D. An IRR outcomes summary report will be submitted to the UM Committee on an annual basis.

**IV. REFERENCES:**

None

**V. RELATED POLICIES:**

- A. MCCMH MCO Policy 12-002 “Utilization Management”

**VI. EXHIBITS:**

None

**Annual Review Attestation / Revision History:**

Revision #:	Revision/Review Date:	Revision Summary:	Reviewer/Reviser:
1	1/21/2025	Creation of Procedure.	MCCMH MCO
2	3/14/2025	Implementation of Procedure	MCCMH MCO