performed in the manner and to the extent otherwise provided for under the Act or in regulations.

QIO REVIEW FUNCTIONS

§ 476.83 Initial denial determinations.
A determination by a QIO that the health care services furnished or proposed to be furnished to a patient are not medically necessary, are not reasonable, or are not at the appropriate level of care, is an initial denial determination and is appealable under part 473 of this chapter.

§ 476.84 Changes as a result of DRG validation.
A provider or practitioner may obtain a review by a QIO under part 473 of this chapter for changes in diagnostic and procedural coding that resulted in a change in DRG assignment as a result of QIO validation activities.

§ 476.85 Conclusive effect of QIO initial denial determinations and changes as a result of DRG validations.
A QIO initial denial determination or change as a result of DRG validation is final and binding unless, in accordance with the procedures in part 473—
(a) The initial denial determination is reconsidered and revised;
(b) The change as a result of DRG validation is reviewed and revised.

§ 476.86 Correlation of Title XI functions with Title XVIII functions.
(a) Payment determinations. (1) QIO initial denial determinations under this part with regard to the reasonableness, medical necessity, and appropriateness of placement at an acute level of patient care as are also conclusive for payment purposes with regard to the following medical issues:
(i) Whether inpatient care furnished in a psychiatric hospital meets the requirements of §424.14 of this chapter.
(ii) Whether payment for inpatient hospital or SNF care beyond 20 consecutive days is precluded under §489.50 of this chapter because of failure to perform review of long-stay cases.
(iii) Whether the care furnished was custodial care or care not reasonable and necessary and, as such, excluded under §405.310(g) or §405.310(k) of this chapter.
(iv) Whether the care was appropriately furnished in the inpatient or outpatient setting.
(2) Reviews with respect to determinations listed in paragraph (a)(1) of this section must not be conducted, for purposes of payment, by Medicare fiscal intermediaries or carriers except as outlined in paragraph (c) of this section.
(3) QIOs make determinations as to the appropriateness of the location in which procedures are performed. A procedure may be medically necessary but denied if the QIO determines that it could, consistent with the provision of appropriate medical care, be effectively provided more economically on an outpatient basis or in an inpatient health care facility of a different type.
(4) QIO determinations as to whether the provider and the beneficiary knew or could reasonably be expected to have known that the services described in paragraph (a)(1) of this section were excluded are also conclusive for payment purposes.
(b) Utilization review activities. QIO review activities to determine whether inpatient hospital or SNF care services are reasonable and medically necessary and are furnished at the appropriate level of care fulfill the utilization review requirements set forth in §§405.1035, 405.1042, and 405.1137 of this chapter.
(c) Coverage. Nothing in paragraphs (a) (1) and (3) of this section will be construed as precluding CMS or a Medicare fiscal intermediary or carrier, in the proper exercise of its duties and functions, from reviewing claims to determine:
(1) In the case of items or services not reviewed by a QIO, whether they meet coverage requirements of Title XVIII relating to medical necessity, reasonableness, or appropriateness of placement at an acute level of patient care. However, if a coverage determination pertains to medical necessity, reasonableness, or appropriateness of placement at an acute level of patient care, the fiscal intermediary or carrier...
must use a QIO to make a determination on those issues if a QIO is conducting review in the area and must abide by the QIO's determination.

(2) Whether any claim meets coverage requirements of Title XVIII relating to issues other than medical necessity, reasonableness or appropriateness of placement at an acute level of patient care.

(d) Payment. Medicare fiscal intermediaries and carriers are not precluded from making payment determinations with regard to coverage determinations made under paragraph (c) of this section.

(e) Survey, compliance and assistance activities. QIO review and monitoring activities fulfill the requirements for compliance and assistance activities of State survey agencies under section 1864(a) with respect to sections 1861(e)(6), 1861(j)(8), 1861(j)(12), and 1861(k) of the Act, and activities required of intermediaries and carriers under §§421.100(d) and 421.200(f) of this chapter.

(f) Appeals. The requirements and procedures for QIO review of changes as a result of DRG validation and the reconsideration, hearing and judicial review of QIO initial denial determinations are set forth in part 473 of this chapter.

§ 476.90 Lack of cooperation by a health care facility or practitioner.

(a) If a health care facility or practitioner refuses to allow a QIO to enter and perform the duties and functions required under its contract with CMS, the QIO may—

(1) Determine that the health care facility or practitioner has failed to comply with the requirements of §474.30(c) of this chapter and report the matter to the HHS Inspector General; or

(2) Issue initial denial determinations for those claims it is unable to review, make the determination that financial liability will be assigned to the health care facility, and report the matter to the HHS Inspector General.

(b) If a QIO provides a facility with sufficient notice and a reasonable amount of time to respond to a request for information about a claim, and if...