(a) Reconsiderations conducted by a Utilization and Quality Control Quality Improvement Organization (QIO) or its subcontractor of initial denial determinations concerning services furnished or proposed to be furnished under Medicare;
(b) Hearings and judicial review of reconsidered determinations; and
(c) QIO review of a change in diagnostic and procedural coding information.

§ 478.12 Statutory basis.
(a) Under section 1154 of the Act, a QIO may make an initial determination that services furnished or proposed to be furnished are not reasonable, necessary, or delivered in the most appropriate setting.
(b) Under section 1155 of the Act, the following rules apply:
(1) A Medicare beneficiary, a provider, or an attending practitioner who is dissatisfied with an initial denial determination under paragraph (a) of this section is entitled to a reconsideration by the QIO that made that determination.
(2) The beneficiary is also entitled to the following:
(i) A hearing by an administrative law judge if $200 or more is still in controversy after a reconsidered determination.
(ii) Judicial review if $2000 or more is still in controversy after a final determination by the Department.
(c) Under section 1866(a)(1)(F) of the Act, a hospital that is reimbursed by the Medicare program must maintain an agreement with a QIO under which the QIO reviews the validity of diagnostic information furnished by the hospital.

§ 478.15 QIO review of changes resulting from DRG validation.
(a) General rules. (1) A provider or practitioner dissatisfied with a change to the diagnostic or procedural coding information made by a QIO as a result of DRG validation under section 1866(a)(1)(F) of the Act is entitled to a review of that change if—
(i) The change caused an assignment of a different DRG; and
(ii) Resulted in a lower payment.
(2) A beneficiary may obtain a review of a QIO DRG coding change only if that change results in noncoverage of a furnished service.
(b) Procedures. Procedures described in §§473.18 through 473.36, and 473.48...
§ 478.16 Right to reconsideration.

A beneficiary, provider or practitioner who is dissatisfied with a QIO initial denial determination on one of the issues specified in §473.14(a) has a right to a reconsideration of that determination by the QIO that made the initial denial determination.

§ 478.18 Location for submitting requests for reconsideration.

(a) Beneficiaries. Except as provided in paragraph (c) of this section concerning requests for expedited reconsideration, a beneficiary who wishes to obtain a reconsideration must submit a written request to one of the following:

(1) The QIO or the QIO subcontractor that made the initial determination.

(2) An SSA District Office.

(3) A Railroad Retirement Board Office, if the beneficiary is a railroad retiree.

(b) Others. A provider, physician or other practitioner that wishes to obtain reconsideration must submit a written request to the QIO or QIO subcontractor that made the initial determination.

(c) Expedited reconsideration. A request for an expedited reconsideration of a preadmission denial determination must be submitted directly to the QIO.

§ 478.20 Time limits for requesting reconsideration.

(a) Basic rules. (1) Except for a request for expedited reconsideration as provided in paragraph (c) of this section, or a late request with good cause under §473.22, a dissatisfied party must file a request for reconsideration within 60 days after receipt of the notice of an initial determination.

(2) The date of receipt of the notice of the initial determination is presumed to be five days after the date on the notice, unless there is a reasonable showing to the contrary.

(b) Late filing of request. A QIO will accept a request filed after 60 days after receipt of the notice of the initial determination if the QIO finds under the criteria set forth in §473.22 that there was good cause for the party’s failure to file a timely request.

(c) Request for expedited reconsideration. A request for an expedited reconsideration under §473.18(c) must be submitted within three days after receipt of the notice of the initial denial determination.

§ 478.22 Good cause for late filing of a request for a reconsideration or hearing.

(a) General Rule. In determining whether a party has good cause for not filing a request for reconsideration or hearing timely, the QIO or ALJ, respectively, must consider the following:

(1) What circumstances kept the party from making the request on time.

(2) Whether an action by the QIO misled the party.

(3) Whether the party understood the requirements of the Act as affected by amendments to the Act, other legislation, or court decisions.

(b) Examples. Examples of circumstances in which good cause may exist include, but are not limited to, the following:

(1) A party was seriously ill and was prevented from requesting a reconsideration in person, through another person, or in writing.

(2) There was a death or serious illness in a party’s immediate family.

(3) Important records were accidentally destroyed or damaged by fire or other cause.

(4) A party made a diligent effort but could not find or obtain necessary relevant information within the appropriate time period.

(5) A party requested additional information to further explain the determination within the time limit, and requested reconsideration within 60 days of receiving the explanation (or within