

Information on Prior Authorization Process for Needed Therapies

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What is a Medicaid Prior Authorization?

A Prior Authorization (PA) is the authorization of a written request by a Medicaid recipient's provider and family to the Department of Health Care Financing (DHCF) for the provision of a service. DHCF uses PAs to:

- ♦ Safeguard against unnecessary or inappropriate care and services;
- ♦ Safeguard against excess payments;
- ♦ Assess the quality and timeliness of services;
- ♦ Determine if less expensive alternative care, service or supplies are usable;
- ♦ Promote the most effective and appropriate use of available services and facilities; and
- ♦ Curtail mis-utilization practices of providers and recipients.

There are approximately 400,000 people currently receiving Medicaid (MA) and 200,000 PA requests each year. With so many people using PAs, it is important to know what criteria are used by DHCF when reviewing one. The purpose of this training is to give providers and parents insight into

the PA process to make them more effective PA writers.

Clerical Review

The PA process begins at Electronic Data System (EDS), a private firm contracted by DHCF to review PAs for approval or denial. Once the PA is received, it is stamped with an internal control number and the date received. All submitted materials are then microfiched, given a process type, and then moved into the PA unit where it is reviewed for clerical errors. The clerk keys the basic information into the computer and if no errors are detected, the PA is sent for clinical review.

Errors such as a missing physician or therapist signature, a missing or incorrect Medicaid number, or a Medicaid number that doesn't match the billing provider's name will result in the PA being sent back to the provider. Since a PA is a legal document, the provider, not EDS, must make the changes.

Returned Prior Authorizations

Just because a PA is returned does not mean it has been denied. Parents should find out from the provider if it has been returned and the timeline for resubmission. If it is returned with a reduction in the duration it is approved and a reduction in the frequency means the PA has been modified.

Clinical Review Criteria

The clinical review is the lengthier and more detailed of the two reviews. In the clinical review, PAs for therapies are reviewed by either physical, occupational, or speech therapists contracted by EDS. The EDS consultants review the PA based on the following DHCF criteria:

- ♦ The medical necessity of the service;
- ♦ The appropriateness of the service;
- ♦ The cost of the service;
- ♦ The frequency of furnishing the service;
- ♦ The quality and timeliness of the services;
- ♦ The extent to which less expensive alternative services are available;
- ♦ The effective and appropriate use of available services;
- ♦ The misutilization practices of providers and recipients;
- ♦ The limitations imposed by pertinent federal or state statutes, rules, regulations or interpretations;
- ♦ The need to ensure that there is closer professional scrutiny for care which is of unacceptable quality;
- ♦ The flagrant or continuing disregard of established state and federal policies, standards, fees or procedures; and
- ♦ The professional acceptability of unproven or experimental care, as determined by consultants to the department.

Common reasons for denials include goals that are not measurable, the need for additional information that supports the

requested service, incomplete evaluations, outdated clinical information, experimental treatment and missing referenced attachment for clinical information.

Medical Necessity

The definition of “medically necessary” is not necessarily “a service prescribed by a doctor”. The legal definition of medical necessity is that MA services should be (a) required to prevent, identify or treat a recipient’s illness, injury or disability; and (b) meet the following standards:

- ♦ Is consistent with the recipient’s symptoms or with prevention, diagnosis or treatment of the recipient’s illness, injury or disability;
- ♦ Is provided consistent with standards of acceptable quality of care applicable to the type of service, the type of provider and the setting in which the service is provided;
- ♦ Is appropriate with regard to generally accepted standards of medical practice;
- ♦ Is not medically contraindicated with regard to the recipient’s diagnoses, the recipient’s symptoms or other medically necessary services being provided to the recipient;
- ♦ Is of proven medical value or usefulness and, consistent with s. HFS 107.035, is not experimental in nature;
- ♦ Is not duplicative with respect to other services being provided to the recipient;
- ♦ Is not solely for convenience of the recipient, the recipient’s family or a provider;
- ♦ With respect to PAs of a service and to other prospective coverage determinations made by the department, is cost-effective compared to an alternate medically necessary service which is

reasonably accessible to the recipient; and

- ♦ Is the most appropriate supply or level of service that can safely and effectively be provided to the recipient.

Understanding the legal definition of medical necessity is very complicated, so DHCF is working on a document that better defines it.

Elements of a Prior Authorization

A PA for therapy has two attachments that are reviewed by EDS consultants: the Therapy Attachment (TA) and the Individualized Education Plan (IEP) for school aged children or the Individualized Family Support Plan (IFSP) for children not yet in school. The TA and IEP/IFSP are used together to review the recipient's medical and therapy histories to determine if the requested PA is appropriate.

Therapy Attachment

The TA contains information such as the total number of sessions required and number of times per day/week. The TA also includes pertinent medical and personal history, including the recipient's diagnosis and date of onset of the diagnosis, the recipient's occupational and education status, living situation, durable medical equipment used, and recent changes in his/her condition. The TA also is used to report the recipient's therapy history, which includes current therapies, previous therapies, and the objectives of the therapy. It further describes the progress of previous therapies in measurable and functional terms since treatment was initiated or last authorized.

Individualized Educational Plan/ Individualize Family Support Plan

The IEP/IFSP is a report written by the child's parents, therapists, and teachers to record the child's current level of progress

and the educational goals for the next school year. However, the IEP only includes educational goals for the child, as the school is not legally required to provide therapy for medical needs.

TA vs. IEP

A PA will be denied if the requested therapy is also listed in the IEP/IFSP as it is considered duplicative. The TA is the place where supplementary and related information can be described to strengthen the recipient's case for the equipment or services. IEPs often don't provide specific information that could be compared to what is requested in the PA. The provider needs to describe why the requested therapy is a medical need and is thus different from the therapy provided at the school, which focuses only on educational needs. Differentiating between the two can increase the chance that a PA will be approved.

What to do if a Prior Authorization is Denied

If the PA is denied, families will receive a generic letter listing common reasons for denial and an explanation of how to initiate the appeal process, which is overseen by the Division of Hearing and Appeals (DHA). If the recipient or the recipient's guardian chooses to appeal a denial, MA is required to send a letter stating the exact reason for the denial within 10 days of the hearing. Families or advocates working on an appeal on behalf of families, may request an extension to have more time to prepare for the appeal.

The Department of Health Care Financing also recommends that parents and the provider talk with a consultant to find out why the PA was denied and to see if it can be modified before initiating a formal hearing.

Modifications to the Process

PAs for things such as medications, orthopedic shoes, etc. can now be done over the phone. Also providers have been able to fax PAs since November 2000. If an error is found, the PA will continue through the process to find other problems so that the PA only needs to be sent back once. Additionally, DHCF trains providers on how to complete a PA. DHCF has also requested resources to upgrade the electronic equipment at EDS, which would speed up the process. The ultimate goal is electronic submission and return. A new PA form is also being piloted.

Parent Role in Therapy

Lynn Steffes, a pediatric physical therapist, explained that in the PA process, the therapist tries to capture functional and measurable information. It is critical that families consider themselves partners in therapy, both in assisting children at home and in initiating the PA. Parents can begin, by making sure their child is diagnosed early. Parents are sometimes reluctant to label their child with a diagnosis, but getting an accurate diagnosis may help to get services covered. The DAWN website has a form that families can complete that may be used as an attachment to a PA request.

Most children receive therapy only a few times a week. Therefore, therapists work with parents on maintaining the skills at home. However, a line needs to be drawn between reinforcing therapy lessons at home and asking the parents to be a therapist. The therapist should find out from the family what outcomes they desire for their child, as they will most likely be more apt to work with their child on attaining those goals at home. Also if a family member cannot assist with therapy homework due to things such as caring for other children in the home or work reasons, this can be noted in the PA to potentially insure the therapy hours outside of the home.

Role of the Therapist

The role of the therapist is to listen and interpret the challenges the family is having and educate them to help them navigate the system. Historically, providers have tried to assist and even insulate families from the process by telling them that they would take care of the prior authorization and follow-up. Rather, providers, families, members, advocates and the doctor must all be empowered and involved. Therapists need to try and optimize care, not maximize it.

More is not Always Better

Lynn suggested that therapists should look at any treatment plan to determine whether or not the child actually needs a specific service. Providers should also look at past reports before evaluating a child. There are cases where the length of treatment may be too long for the child to handle or more therapy will not benefit the child and will additionally keep the child from going about their life for another 3 or more hours a week.

Reduction of Requested Services

When EDS or DHCF reduces the frequency or duration of therapy, the therapist may not be able to accomplish the goals in a shorter term. When PAs are returned it takes some weeks to catch-up, leaving the therapist and child with very few weeks of approved therapy. If a subsequent PA is then requested, it may be denied because no progress had been shown from the previous PA.

Duplicative Services

A child has the right to receive school and medically necessary community therapies. However, the problem is that whether or not the school bills Medical Assistance, the expectation is that the school will cover the service. A child can be functional in school and not in a home environment or sometimes the child only needs educational services. As a result, the IEP team needs to make it clear in the PA that the requested

service is medically necessary for non-education needs. What is required in a school setting is often different from what is required at home or in the community.

submit requests without going through needless and time consuming delays.

Q drive: Therapies and Treatments

Documentation

Bobby Peterson, Executive Director of ABC for Health stated that first and foremost, documentation must be clear and detailed to provide reviewers with ample information that services are appropriate and necessary. Many cases that are reviewed by ABC for Health are made more difficult because of inadequate documentation of progress made by CSHCN. Certainly this type of “front end” can help avoid many difficulties and problems later on down the road. Even with good documentation there are still several areas that can cause frustration for parents.

Notes from the Advocates

Parents of CSHCN should enlist the support and assistance of a knowledgeable advocate to help them work through the prior authorization process. And more importantly parents should not feel intimidated by a denial of a PA request. Everyone has the right to appeal PA decisions, and mistakes are sometimes made. By requesting a fair hearing, many mistakes can be cleared up quickly. The denial of a PA service might fall within one of the many gray areas of the regulations and may require more intensive advance work in preparation for a hearing. Some cases may need lead to court for a judicial interpretation of the law. This is not usually the preferred outcome.

Through upfront documentation both of medical needs and other circumstances in the household, parents can avoid the longer and more time consuming process of appeals. Preventing disputes is an important goal of ABC for Health, which is why we work to provide the education, community level advocacy support and resources to give parents and therapists the proper tools to