



Member Authorizations in Sage

Substance Abuse Prevention and Control
County of Los Angeles Department of Public Health

Provider SAPC Webinar; June 19, 2018

Outline

- **Overview of Current Utilization Management (UM) Process in Sage for Authorized and Non-Authorized Services**
- **Member Authorization Change Being Considered**
 - Proposal & Rationale
- **Discussion**





Overview of Current UM Process

- **Authorized Services**

- Residential (levels 3.1, 3.3, **and** 3.5) treatment
- Recovery Bridge Housing (**RBH**)
- Medications for Addiction Treatment (MAT) for Youth (*age 12-17*)
- Withdrawal Management (WM) for Youth (*age 12-17*)

- **Non-Authorized Services**

- Outpatient (**OP**)
- Intensive Outpatient (**IOP**)
- Opioid Treatment Program (OTP)
- Withdrawal Management (**WM**) (*other than for youth – see above*)
- Recovery Support Services (**RSS**)

Overview of Current UM Process (cont'd)

- **Sage Authorization Request Form**
 - Authorized services currently require submission of Authorization Request Form, whereas non-authorized services do NOT require this form.
- **Process for Reviewing Authorized Services**
 - Requires SAPC Utilization Management (UM) staff to approve authorized services prior to providers being able to bill or be paid for those services.
 - **Review process for Sage's Authorization Request Form includes:**
 - ASAM assessment (with justification of clinical rationale if level of care recommendation of the ASAM CONTINUUM is overridden)
 - Sage Financial Eligibility Form
 - Sage Provider Diagnosis (ICD-10) Form
 - Sage Clinical Contact Form
 - Pertinent lab/drug testing results – if applicable
 - Treatment Plan (if re-authorization)
 - **Other Required documents:**
 - Sage CalOMS Admission Form (within 7 [adults] or 14 [youth] days of admission)





Overview of Current UM Process (cont'd)

- **Rendering Authorization Decisions**
 - SAPC UM staff cannot render a decision on authorization requests until all required information is submitted by providers.
 - Approvals → If medical necessity is established and all necessary info is provided.
 - Denials → If medical necessity is NOT established and/or all necessary info is NOT complete and/or provided within 3 business days of authorization request
 - **Providers can still provide services for authorized services while SAPC UM staff processes the authorization request.**
 - **However, until the provider provides ALL necessary information for SAPC UM staff to render a decision on the authorization request, providers will be financially liable (e.g., providers will NOT be able to bill) for services rendered prior to receiving approval.**
 - **This includes Secondary Sage Users!** – Providers using the 837 process have to enter an approved authorization number or claim will be denied.

Overview of Current UM Process (cont'd)

- **Process for Verifying Eligibility for Non-Authorized Services**
 - Requires SAPC Utilization Management (UM) staff to review cases to verify eligibility for non-authorized services.
 - **Review process for eligibility verifications includes:**
 - ASAM assessment (with justification of clinical rationale if level of care recommendation of the ASAM CONTINUUM is overridden)
 - Sage Financial Eligibility Form
 - Sage Provider Diagnosis (ICD-10) Form
 - Sage Clinical Contact Form
 - Treatment Plan (if re-determination)
 - Other clinical documentation (as needed)
 - **Other Required documents:**
 - Sage CalOMS Admission Form (within 7 [adults] or 14 [youth] days of admission)
 - **Currently, non-authorized services can be successfully claimed and paid without an approval from SAPC UM staff and before eligibility is verified → this is a problem in terms of financial liability for providers**





Overview of Current UM Process (cont'd)

- **Current Challenges with Eligibility Verification Process**
 - Most providers are NOT submitting all necessary information for SAPC UM staff to render decisions on eligibility status.
 - Commonly identified deficiencies include:
 - Missing or incomplete ASAM assessments (*most common*)
 - Missing or incomplete Financial Eligibility Form
 - Missing or incomplete Provider Diagnosis (ICD-10) Form
- SAPC UM staff have been actively calling providers to provide necessary info, but has largely been unable to secure necessary info to render a decision and the amount of follow-up entailed in this process is not sustainable.
- However, missing information is occurring ***much less often*** for authorized service process because providers know that they need to provide this required information to avoid payment challenges.

Overview of Current UM Process (cont'd)

- **Payment Blackouts**

- While payment blackouts prevent payment for patients whose eligibility was not established, this process:
 - Does not give providers visibility on the status of the blackout and thus is difficult for providers to manage
 - Requires significant work for both providers and SAPC staff that is inefficient and unsustainable
 - Often involves need for recoupment
 - ***Has not resulted in providers submitting necessary information***
- **Result → Large backlog of pending eligibility verification cases due to insufficient information from providers**
 - This places providers at significant financial risk given that these cases may result in recoupment from either SAPC (if necessary information is not provided) or the State (during audits if necessary information is was either not provided or provided late).
 - Resolution of payment blackout process requires significant work and create workflow challenges for both providers and SAPC staff.

Member Authorization Change Being Considered

- **Proposal**

- **Effective 7/1/18, SAPC is considering requiring all patients to have a Member Authorization (Authorization Request Form) for ALL services.**
 - This includes the non-authorized services that previously did not require an authorization.
 - Providers would choose the level of care or service they want authorized on the drop-down menu on the Authorization Request Form.
- **Outpatient (OP, IOP, OTP, WM, and RSS) providers that are unfamiliar with the Authorization Request Form process would need to be trained on how to complete this form within Sage.**
- **Secondary Sage Users** would follow the same process they currently follow for authorized services, which involves entering the following information into Sage:
 - Sage Authorization Request Form
 - Sage Financial Eligibility Form
 - Sage Provider Diagnosis (ICD-10) Form
 - Sage Clinical Contact Form
 - Uploading Treatment Plans into Sage

Member Authorization Change Being Considered (cont'd)

- Rationale

- **Current eligibility verification process for non-authorized services (*see previous slide for definition*) is a BACKEND process resulting in significant complications**
 - Backlog of pending eligibility verification cases represents a significant financial liability for providers
 - The eligibility verification process has largely either not been completed or has been completed after providers have already been payment → increases financial liability and recoupment risk
- **Member Authorization process ensures verification of eligibility UPFRONT and minimizes financial liability for providers**
 - Decreases risk for recoupment
 - Markedly decreases need for payment blackouts
- **Member Authorization process has significant functionality that would benefit both providers and SAPC UM Staff in processing requests and billing**
 - Facilitates provider and SAPC UM staff communication to more efficiently process authorization requests.
 - Simplifies the billing process (selecting an authorization number instead of repeatedly scrolling through long list of PAUTHs)



Member Authorization Change Being Considered (cont'd)

ANTICIPATED BENEFITS	ANTICIPATED NEGATIVES
More financial confidence in services rendered → decreases financial liability and risk of recoupment for providers	Providers need to submit necessary information prior to billing – this is technically already the case, but it isn't being enforced until after billing
Greater visibility for providers on the status of the review process and on what will be approved for payment	
More efficient process for completing review of medical necessity and financial eligibility	
Increases likelihood that necessary information is submitted for eligibility verification	
Simplifies billing submission process	
Process includes mechanisms for providers and UM staff to directly communicate regarding authorizations and missing elements	
Reduces backlog of pending eligibility verification cases	

Member Authorization Change Being Considered (cont'd)

- **SAPC appreciates provider feedback on this considered change and plans on announcing a decision by the end of the week.**
- If this shift to requiring Member Authorizations (requiring an Authorization Request Form) for ALL services by 7/1/18 were to occur, a webinar training would be held next week (the week of 6/25) to ensure providers are familiar with the process.

feedback

Discussion

