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