AUTHORIZATION AND REFERRALS

BRIDGING THE GAP

BETWEEN

ADMINISTRATIVE AND CLINICAL TEAMS

AGENDA

- **Introduction**
- **What is a PA/Referral?**
- **Why are they needed?**
- **Barriers/Pains/Strains/Frustrations**
- **Did you know?**
- **The 5 W's**
- **Bridging the G---A----P**

Denial Management Supervisor at Baystate Health

- Over 15 years' experience in medical claims management
- Over 12 years healthcare (facility/professional) denial management experience
- Over 20 years customer service experience
- 25 years as a consumer in healthcare

Stephanie Wilson, MBA, BA Healthcare Management

Prior Authorization

- "…process by which physicians and other health care providers must obtain advance approval from a health plan before a specific procedure, service, device, supply or medication is delivered to the patient to qualify for payment coverage."

- Also known as PA, Pre-certification, Notification, Pre-registration.

2 Types of Referrals

- *"Specialty referral"* the process where a primary care refers patient to a specialist.

- *"Cross referral"* the process where a specialist refers patient to another specialist *(not allowed by all plans).*

Why are they important?

- To effectively manage patient care/outcomes
- To coordinate patient care between physicians
- Prevent over utilization of healthcare benefits/services
- Minimize cost in healthcare

Barrier to obtaining PA's and Referrals

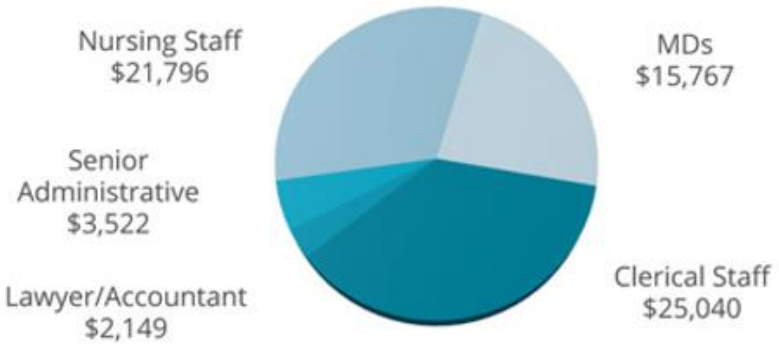
Limited

- Patient information
- Specialist information
- Access to specialist
- Time (perform admin task)
- Insurance knowledge
- Understanding of roles

$55,000 per physician is spent annually in obtaining prior authorizations from insurance companies

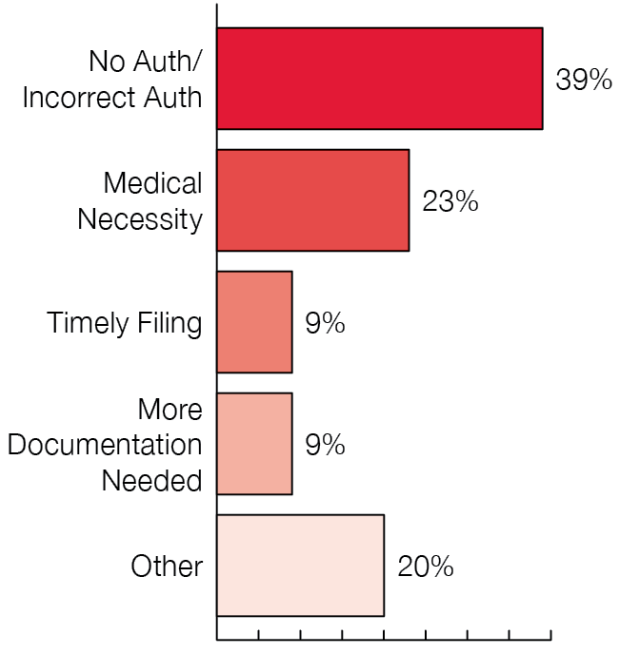
Prior Authorization Costs U.S. Doctors $31B Each Year

Each Practice Spends Over $68,000 Annually



Top-Reported Root Cause of Denials

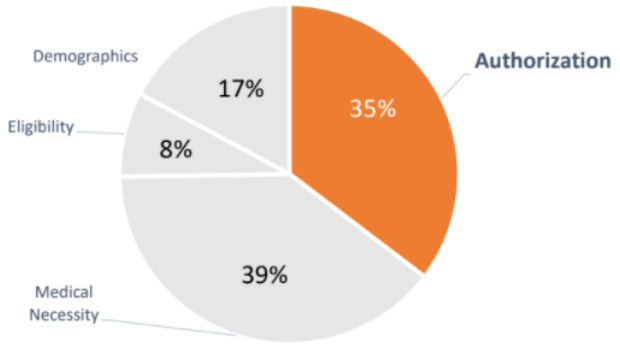
Source: Revenue Cycle Academy (2017)



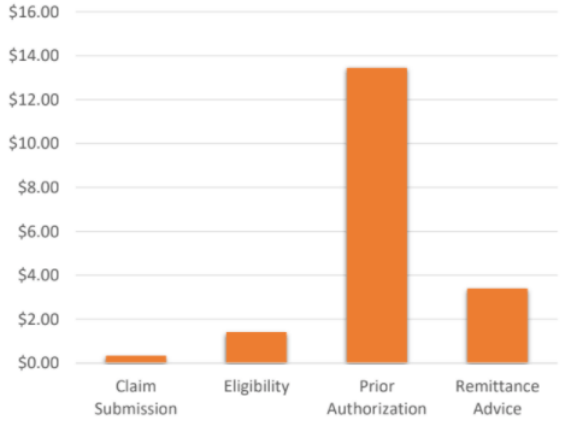
By a wide margin, pre-authorizations take the lead as the top cause of denials; this is a trend The Academy has seen year over year

Prior Authorization Predicament

Revenue Lost due to Write-Offs

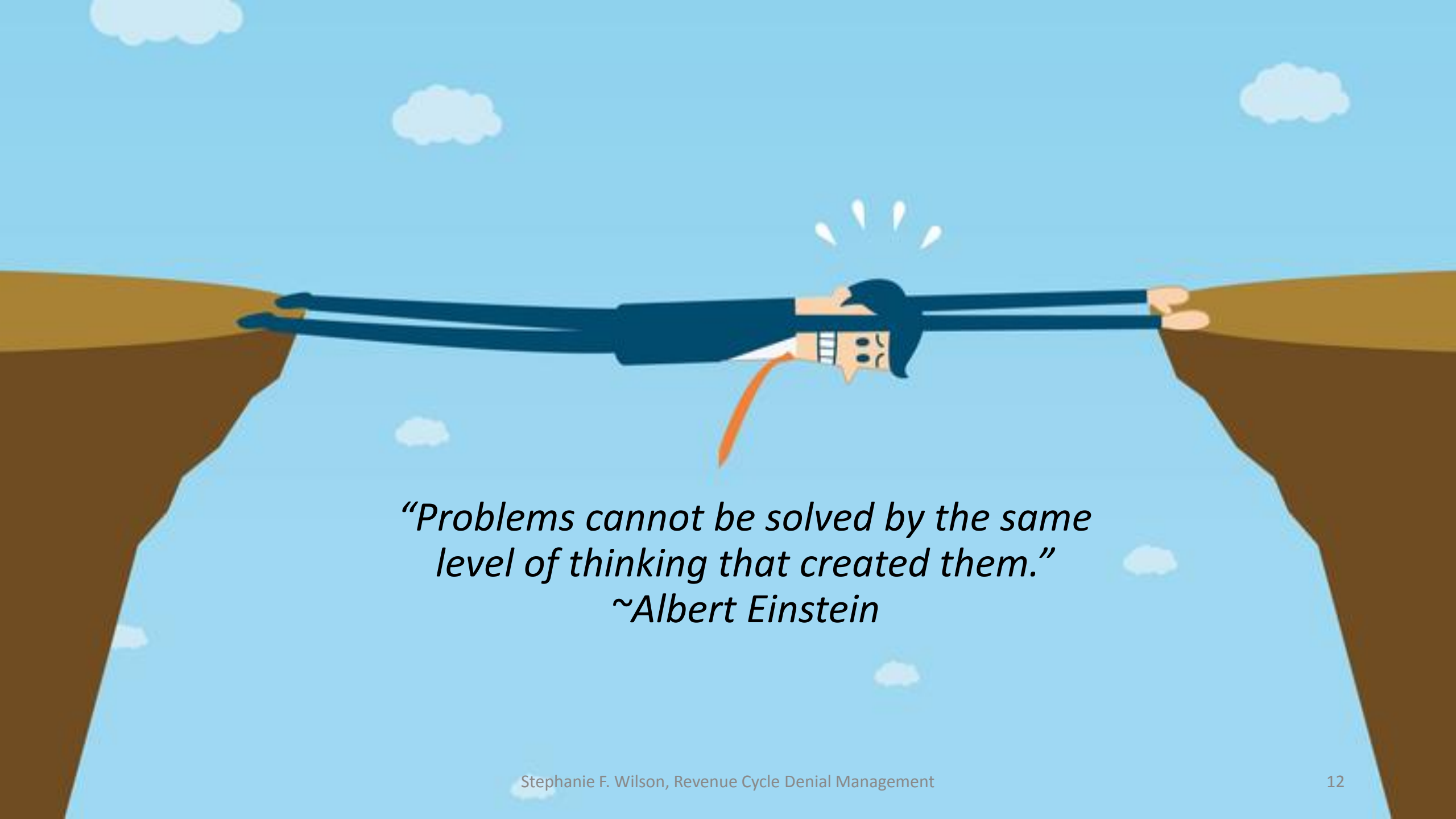


Administrative Transaction Cost



- HMO/PPO plans DO NOT require
- EPO/POS plans DO require
- Retros are not always allowed
- Patient must choose PCP
- Patient must have seen PCP
- Must have accurate MD info
- Lead to delayed patient care
- Loss of Revenue

- MD office required to obtain
- Different requirements based on insurance plan and type
- Insurance rules change frequently
- Specific to CPT code(s), Location, DX, and LOC
- Specific to date(s)
- Required for a variety of procedures, prescription drugs, and DME
- Required for in/out of network
- Most insurances have short to know retro request
- Must have accurate/complete data
- Can result in a loss of revenue


“Problems cannot be solved by the same level of thinking that created them.”
~Albert Einstein

Organizations are taking stands to outline their commitments

- Reduce the number of health care professionals subject to prior authorization requirements
- Regularly review the services and medications that require prior authorization and eliminate requirements
- Improve communications between providers, health care professionals, and patients
- Protect continuity of care for patients who are on an ongoing, active treatment or a stable treatment.
- Accelerate industry adoption of national electronic standards for PA and improve transparency

American Hospital Association (AHA), America's Health Insurance Plans (AHIP), American Medical Association (AMA), American Pharmacists Association (APhA), Blue Cross Blue Shield Association (BCBSA), Medical Group Management Association (MGMA)

Physician offices and facilities must work together

- Make the effort to know who you are referring to
- Know where your patients are being referred from
- Contact specialist, hospital or other to obtain needed info
- Check eligibility and insurance requirements every time
- The facility/medical provider is not the ENEMY
- Do Not “GUESTIMATE” or “ASSUME” anything
- If you need assistance, or in doubt ASK
- Take notes, save, create library
- Get training, Self-educate and share knowledge
- MAKE TIME

OUTCOMES

- Positive for All (patients, clinical and administrative)
- Decreased waste (unnecessary or re-work)
- Decreased frustrations
- Decreased denials
- Increased patient flow
- Increased relationships
- Increased Knowledge
- Increased revenue

THANK YOU

ANY QUESTIONS?