LOCAL 491 MEDICAL MANAGEMENT STRATEGY

Independence

Independence Administrators

Medical Management for Local 491

Current Process

- Medical Management Process
- Claims received for Durable Medical Equipment (DME), Physical Therapy (PT), and Mental Health (MH) are only covered when accompanied with a letter of medical necessity from a physician.
- This is a manual process, leaving room for inefficiencies in timely claims payments and placing an added burden on your members.
- The current process allows the provider to submit a letter after the service has already been provided or purchased (in the case of DME). This process does not take in to consideration the cost or effectiveness of the prescribed service, thus eliminating the use of any clinical oversight and defeating the purpose of the medical necessity letter.

Proposed Process

- Prior Authorization/Quantity Limits
- Prior authorization is one of the medical management tools used by health insurers and plan administrators to ensure the delivery of safe, efficient, high-quality, and cost-effective care to patients. PA verifies that a health care service, treatment plan, prescription drug, or medical device is both medically necessary and appropriate for use by an individual patient.
- IA wants to propose replacing the letter of medical necessity process by implementing a combination of PA and quantity limits where appropriate for the DME, PT and MH claims.
- PA/Quantity Limits will involve very little manual intervention as most of the process is automated. This provides a better experience for both providers and members as compared to the manual process that exists today.

Durable Medical Equipment (DME)

Current Process

- Durable Medical Equipment (DME) claims are being denied unless we receive an accompanying letter of medical necessity from the members physician. If we do not receive one after 10 days, the claim is denied.
- This requires manual intervention across all levels (member, provider and carrier).
- A prescribing physician can currently submit a letter of medical necessity after a member has bought a DME item, without any consideration for the cost or effectiveness of the item being prescribed.

Proposed Process

- Utilize our PA process with medical policies, which reflect established standards of care and adhere to clinical quality requirements. With this clinical framework in place, PA serves to close gaps that exist between evidence-based practice and outdated or alternative forms of care that are insufficient and potentially harmful.
- Our medical policy for DME can be found here: **http://medpolicy.ibx.com/policies/mpi.**

Physical Therapy (PT)

Current Process

- Durable Medical Equipment (DME) claims are being denied unless we receive an accompanying letter of medical necessity from the members physician. If we do not receive one after 10 days, the claim is denied.
- This requires manual intervention across all levels (member, provider and carrier).

Proposed Process

- We use best practice standards and industry benchmarks to determine what is appropriate in terms of medical management for PT.
- PT is a service that we typically manage using a quantity limit, which should encourage appropriate and necessary use of the benefits. If the quantity limit needs to be exceeded, we can then apply a PA strategy.
- For example, the currently accepted quantity limits according to Medicare are:
- 40 combined visit limits between PT and OT
- After 40 visits, providers will need to obtain precertification for these visits as well as submit clinical information to IA for those members they plan to treat.

Mental Health Visits

Current Process

- Mental Health (MH) claims are being denied unless we receive an accompanying letter of medical necessity from the members physician. If we do not receive one after 10 days, the claim is denied.
- This requires manual intervention across all levels (member, provider and carrier).

Proposed Process

- IA would suggest removing the medical necessity requirements currently in place for Mental Health visits.
- Prior Authorization is still applicable for serious MH/SA inpatient stay and rehab.

Conclusion

PA is a highly regulated medical management tool that ensures the delivery of safe, effective, high quality care. As health care costs continue to rise, due in part to inefficient and unnecessary care, PA serves as a necessary instrument to reduce waste, protect patients, and ultimately improve health care outcomes.

IA has a well established medical management process that can replace the current letter of medical necessity process through a combination of quantity limitations and prior authorizations. We feel this strategy will address the goals of the existing process and will create a more efficient process for the members and providers.

QUESTIONS?

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