Prior Authorization Challenges & Best Practices
(A Systems Thinking & First Principles Approach)

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&
Vivian Perez
Clinical Authorization Supervisor
Patient Access Services, USC Norris Cancer Hospital
Our Backgrounds

Steve Kim, MD, MBA, MSCE
- Attending Surgeon, Pediatric Urology
- CHLA Physician Champion – EHR
- CHLAMG Steering Committee IT/Rev Cycle
- Assistant Clinical Professor, USC Keck SOM
- Value-Based Delivery Researcher
- Director, Clinical Research Informatics
- Co-Founder, Chief Strategy Officer
- Voice of the Customer

Vivian Perez
- Clinical Authorizations Supervisor
- Patient Access Services, Keck Hospital of USC
- Authorization SME
My Prior Authorization Journey

Dear Dr. [Name],

Thank you for your hard work. I am so glad that my health is now on the improvement. I feel much better. I am happy that you can help me improve my health. I know that this journey is not easy, but I appreciate your help in making it happen. I am happy to report that I have improved and am grateful for your support.

Thank you,

[Signature]

P.S. Here is a picture of my daughter's drawing.
Systems thinking is a method to analyze relationships between a system’s parts to understand the potential for better decision-making. A systems approach consists of elements, interconnections, and an overarching purpose.

First principles thinking requires you to dig deeper and deeper until you are left with only the foundational truths of a situation.

Listen to People
Key Prior Authorization Challenges

1. Manual authorization submission process
2. Informational complexity – what needs auth?
3. Communication between teams
4. Denials management – front-end feedback
The “System” - Prior Authorizations

**Submission**
- Ambulatory Clinics
  - Professional Authorizations
- Centralized Patient Access
  - Facility Authorizations
  - Professional Authorizations

**Verification**
- Facilities
  - Facility, technical/ancillary Notice of Admissions
  - Case Management

**Revenue Cycle**
- Business Office
- Professional Facility
  - Revenue management
  - Denial management
  - Retro-authorizations
  - Modifications
First Principle: Prior Authorization Submissions are Key

Submission
Ambulatory Clinics
Professional Authorizations

Centralized Patient Access
Facility Authorizations
Professional Authorizations

Prior Authorization issues & errors frequently occur at time of submission

- Not submitted in time
- Not ever done
- Not properly documented
- Wrong codes
- Wrong sites of service
First Principle: Prior Authorization Submissions are Highly Manual

Figure 1: Estimated National Volume of Prior Authorizations, Medical, by Mode, 2016-2018 CAQH Index (in millions)

- **Fully Manual** (Phone, Fax, eMail)
- **Partially Electronic** (Web Portal, Interactive Voice)
- **Fully Electronic** (5010X217 278)

> 95% Authorizations today require manual input
The High Cost of Prior Authorizations

Labor Time & Costs

$10.11 Cost per Manual Prior Authorization
16min Average Time per Manual Prior Authorization

Patient Access Delays

91% Physicians report delay in care due to authorizations
1/3rd Physicians report significant adverse outcome due to authorizations

Worsening Denials/Write-Offs

$25 Cost per Claim to Rework
50% Authorization Denials Written Off

CAQH 2018 Index Report | AMA Physician Survey | Becker’s Hospital Review | HFMA 2019 Authorization Workshop

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Highly Manual Exchange of Authorizations

Authorization Information

Who?
- Patient Demo
- Insurance Member ID
- Provider Demo, NPI
- Payer

What?
- ICD-10
- CPT, HCPCS, units/dosages

Where?
- POS codes, Sites of Service
- Tax ID, NPI, Location

Why?
- Medical Necessity
- Clinical Documentation
Manual Documentation of Authorizations

- Fax forms
- Web portals
- Phone

Connections to:
- Professional Billing
- Hospital Billing
Authorization Informational Complexity

"Tribal Knowledge"

Who’s Paying?
Health Plan vs IPA/MG
DOFR
LOAs

Is Auth Required?
Phone
Online
Trial & Error
Constant Change

What Info Needed?
Clinical Documentation
Informational Complexity
Where is it in the EHR?
How to get Approved?
Sites of Service/Re-directs

How Do I Submit?
Fax?
Web Portal?
Phone?
Where Authorization Can Go Wrong

Authorization Information

Who?
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What?
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Where?
- POS codes, Sites of Service
- Tax ID, NPI, Location

Why?
- Medical Necessity
- Clinical Documentation

Payer Antics

- Lack of clear authorization rules
- Fax Games
  - “we never received the fax”
  - Auth responses to wrong fax numbers
- The Phone game
  - “no auth/pre-cert” by phone = denial for “no auth”
- The Bait and Switch
  - Redirect, change approvals

Internal control
- Process & Education

Countermeasures

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System-level Gaps in Communication (workflow & process)

**Submission**
- **Ambulatory Clinics**
  - Professional Authorizations
- **Centralized Patient Access**
  - Facility Authorizations
  - Professional Authorizations

**Verification/Submission**
- Facilities
  - Scheduling
  - Notice of Admissions
  - Case Management

**Revenue Cycle**
- **PB/HB**
  - Revenue management
  - Denial management
  - Adjustments
  - Retro-authorizations
  - Modifications

**Business Office**
Common Workflow Communication Processes

- EHR work drivers
- Telephone
- Email
- Message Center
- Skype/IM
- Referral Tracking system

Duplicate Manual Entry
Fragmented Info
Poor documentation
Common Communication Problems
(key challenges)

- Clearly Defined Roles & Responsibilities
- Lack of Visibility Duplicate Workflows
- Lack of Visibility Poor Feedback Loop

Lack of real-time visibility across Authorization Life Cycle
Fragmented information, Communication Gaps
EHR Authorization Challenges

- Lack of Interoperability
- Legacy Data Models
- Data Exchange & Interfacing Difficulty
- Inability to Customize Workflows
- Inability for Real-time Changes
- Business Model Challenges

21st Century Cures Act (2016)
- Penalties for “Information Blocking”
- API requirements
Authorization Strategies & Tactics

People
Process
Technology
Authorization Strategies & Tactics

People

- Authorization Subject Matter Expertise
- Information Complexity

Education & Training

- Complicated Human Behavior (positive & negative)
- Habits/Change Management

Transparency & Accountability
Authorization Strategies & Tactics

Process

- Clearly Define Roles & Responsibilities
- Standardize Workflows
- Clean Transitions
- Open Communication & Collaboration
- Meaningful Metrics
- Feedback Loops

Continuous Iteration
Authorization Strategies & Tactics

Technology

• Workflow Automation
• Comprehensive Payer Coverage
• Shared Visibility & Collaboration Tools
• Real-time Insights & Rules

• Reduce Manual Work (not add)
• Workflow-centric, Customizable
• Rapidly Changeable
Enterprise Authorization Platform

ONE place to submit, track, & manage the authorizations

Workflow Automation

- Standardization, Accountability, & Education
- Bi-directional integration
- EHR
- Workflow Collaboration
- Real-Time Reporting & Rules
- Revenue Cycle Support, Business Rules
Prior Authorization Shared Visibility

Eliminate duplicate work & errors

Submission
Ambulatory Clinics
E&M, procedures, surgery, meds, DMEs

Verification
Centralized Patient Access
E&M, procedures, surgery, meds, DMEs
Facility, technical, ancillaries

Revenue Cycle
Business Office
Billing and coding, Denial management, Retro-authorizations
Modifications

Facility, technical/ancillary
Notice of Admissions
Case Management

Enterprise-wide visibility & collaboration
Prior Authorization Standardization & Rules
Smarter, Cleaner Front-End Submissions

Submission
- Ambulatory Clinics
- Centralized Patient Access

Verification
- Facilities

Revenue Cycle
- Business Office
- Denials Management

Workflow Collaboration
- Service Code Templates
- Business Rules
- Crowd-sourced “tribal knowledge database”
Keck Medicine of USC

Tertiary-Referral Academic Medical Center
• 3 Hospitals (Keck, Norris CCC, VHH - 619 beds)
• 40 Outpatient locations
• USC Care Medical Group – 938 MDs

CA Delegated Risk Payer Market

650+
Unique Payer Fax Forms

15+
Payer Web Portals

All Service Types
✓ Professional
✓ Facility
✓ Technical/Ancillaries
✓ Medications/Infusions
✓ Worker’s Comp
✓ Notice of Admission
Keck Medicine of USC

Pilot & Phase 1

Centralized Pre-Arrival

Pilot time motion study

80% Reduction in manual staff processing time

Expansion

15 Specialty Divisions
Professional/Facility
E&M Radiology, Infusions, Meds

Phase 2

Ambulatory Clinics

10 Specialty Divisions
6 Divisions pending approval
Surgery, procedures, etc.

Phase 3

Facilities

Notice of Admissions
Case Management

Business Office

Denial Management
### Key Observations & Challenges

<table>
<thead>
<tr>
<th>People/Change Management</th>
<th>Education Accountability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear Standard Processes</td>
<td>Communication Collaboration Accountability</td>
</tr>
<tr>
<td>EHR Bi-Directional Integration</td>
<td>Reducing Manual Data Entry</td>
</tr>
</tbody>
</table>
Processes

Authorization Days Out
(date of service – date of submission)

Real-Time Authorization Status
## Chemo TACE regimen

<table>
<thead>
<tr>
<th>Units</th>
<th>Modifier</th>
<th>CPT</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>36247</td>
<td>Insert catheter into abd., pelvic or leg artery</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>37249</td>
<td>Vascular embolize/occlude organ/tl infarct</td>
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<tr>
<td>1</td>
<td>1</td>
<td>75726</td>
<td>Artery x-rays abdomen</td>
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<tr>
<td>1</td>
<td>1</td>
<td>78034</td>
<td>X-rays transath therapy</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>90613</td>
<td>Chemo iv infusion 1 hr</td>
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<tr>
<td>1</td>
<td>1</td>
<td>96415</td>
<td>Chemo iv infusion add hr</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>96422</td>
<td>Chemo iv infusion up to 1 hr</td>
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<tr>
<td>1</td>
<td>1</td>
<td>96423</td>
<td>Chemo iv infuse each add hr</td>
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<tr>
<td>1</td>
<td>1</td>
<td>96925</td>
<td>Inf drug delivery device-port flush</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>91215</td>
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### Specific Instructions

PLEASE ENSURE THESE ARE SENT WHILE THE PATIENT IS STILL IN-HOUSE GETTING TRANSPLANT. DO NOT WAIT FOR DISCHARGE: THEY ARE IN APPROX 20 DAYS.
Payer Info & Process

Scheduling & Admitting Planning
(reduce cancellations)
Final Thoughts

- Always Keep the Patient in Mind
- There are No Shortcuts in Healthcare
- Listen to People, Focus on Workflows
- Never Stop Improving
Demo
Thank You!

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