

Washington State Office of the Insurance Commissioner (OIC)
2016 Comment solicitation – Prior Authorizations

Background
The OIC is considering rulemaking to regulate issuer’s prior authorization processes. The rulemaking is intended to streamline the prior authorization process and make it easier for consumers to get prior authorization for covered services. Stakeholder input is important to ensure the OIC accomplishes its intent of streamlining the prior authorization process. The rulemaking will not prevent issuers from using prior authorization as it is an acceptable and reasonable cost-containment method. The OIC intends to create regulations to protect consumers and allow issuers flexibility to manage care. As a starting place, the rules may:

- Make prior authorization criteria more transparent to providers
- Require issuers to have around the clock availability to respond to urgent prior authorization requests
- Require issuers to use web-based programs to facilitate prior authorization requests

Comments
The Commissioner encourages interested stakeholders to contribute comments on the prior authorization process. Stakeholders are especially encouraged to provide comments regarding the following questions:

- What are some best practices to streamline the prior authorization process?
- What has not worked in streamlining prior authorization?
- What deficiencies exist in our current regulations regarding prior authorization?

Comments on this issue are due Friday, June 17. Comments should be addressed to Jim Freeburg and sent to rulescoordinator@oic.wa.gov.

Children and Youth with Special Health Care Needs

Children and youth with special health care needs and their families typically receive services and supports from multiple systems – health care, public health, education, mental health, social services, respite and more. Within any one of these systems, children may be served by multiple providers and community-based systems. There is no doubt that the need for services and supports presents significant challenges for developing comprehensive systems of care among health care and other child-serving systems.

Who are Children with Special Health Care Needs?

“...those who have or are at increased risk for a chronic physical, developmental, behavioral, or emotional condition and who also require health and related services of a type or amount beyond that required by children generally.”¹

A subset of children with special health care needs are those who have chronic medical complexity (CMC). These are a remarkable group of children—with the most extraordinary families—who are striving to live with the rarest and most severe, functionally limiting, complicated, and life-threatening health problems of all.^{2,3} CMC are one of the smallest, yet fastest growing, populations of children, and they have an enormous impact on the healthcare system.^{4,5,6,7,8,9} The following comments are made with the intention of improving access to

¹ See: <http://mchb.hrsa.gov/cshcn05/> McPherson M, Arango P, Fox H, Lauver C, McManus M, Newacheck P, Perrin J, Shonkoff J, Strickland B. A new definition of children with special health care needs. *Pediatrics*, 102(1):137–140, 1998.

² Cohen E, Kuo DZ, Agrawal R, et al. Children with medical complexity: an emerging population for clinical and research initiatives. *Pediatrics*. 2011;127(3):529-538.

³ Berry JG, Hall M, Cohen E, O'Neill M, Feudtner C. Ways to Identify Children with Medical Complexity and the Importance of Why. *J Pediatr*. 2015;167(2):229-237.

⁴ Berry JG, Hall M, Hall DE, et al. Inpatient growth and resource use in 28 children's hospitals: a longitudinal, multi-institutional study. *JAMA pediatrics*. 2013;167(2):170-177.

⁵ Berry JG, Hall M, Neff J, et al. Children with medical complexity and Medicaid: spending and cost savings. *Health Aff (Millwood)*. 2014;33(12):2199-2206.

care and needed outcomes for children and youth with special health care needs and those with CMC and will be identified throughout as CYSHCN.

Authorization Requirements:

DOH – Healthy Starts and Transitions including Children with Special Health Care Needs (CSHCN), recommends the following for OIC consideration:

The perspective of a WA State Pediatrician.....

“What I really need to do is to walk in the room, clear out that 15 minutes to hear what the child and the family needs, assess the child, offer what else I think that the child needs and be sure that everyone else on the team is on the same page, working on the same goals and doing so with efficiency.”

We urge the OIC to develop rules that address conditions at birth that will not change for the lifetime of that individual. It is burdensome and duplicative for providers to have to recertify medical necessity for children with special health care needs every six months for the rest of their lives for covered service needs that will not change. Where this will be true will be for conditions like cerebral palsy, metabolic disorders, other syndromes and genetic conditions, etc. Rules should apply to covered services such as special formulas, therapies and durable and non-durable equipment, therapies, access to specialty providers, etc that will be needed throughout their lifetimes.

DOH recommends the following:

1. That prior authorization processes be streamlined and that plans, wherever possible, use same or similar standardized forms and processes; e.g., [OneHealthPort](#); regardless if the health plan is located in another state.
2. Policies are clearly written and are provided to both consumers and providers.
3. Prior Authorization timelines should be reasonable and take into consideration the children and youth with special health care needs population and that their needs may be more time sensitive than other populations.
4. Plans must honor their prior authorizations once services are approved and services are provided.
5. Appeals processes need to be reasonable and manageable and understandable for the consumer.
6. That plans have internal written process/procedure in place for eliminating prior authorizations if cost to manage process exceeds cost of service or if services are always approved.

⁶ Cohen E, Berry JG, Camacho X, Anderson G, Wodchis W, Guttman A. Patterns and costs of health care use of children with medical complexity. *Pediatrics*. 2012;130(6):e1463-1470.

⁷ Simon TD, Berry J, Feudtner C, et al. Children with complex chronic conditions in inpatient hospital settings in the United States. *Pediatrics*. 2010;126(4):647-655.

⁸ Berry JG, Poduri A, Bonkowsky JL, et al. Trends in resource utilization by children with neurological impairment in the United States inpatient health care system: a repeat cross-sectional study. *PLoS medicine*. 2012;9(1):e1001158.

⁹ Burns KH, Casey PH, Lyle RE, Bird TM, Fussell JJ, Robbins JM. Increasing prevalence of medically complex children in US hospitals. *Pediatrics*. 2010;126(4):638-646.

7. That plans have special considerations and **eliminate** prior authorization for children with special health care needs including:
 - a. Access to specialty providers¹⁰,
 - b. Urgent and timely services (e.g., dietitian services for infant feeding for failure to thrive as well as specialty formulas such as metabolic formulas either oral or enteral; two good examples for coverage/prior authorization processes are seen through Washington State's Medicaid program – [Medical Nutrition Therapy](#) and [Enteral Nutrition Program](#)).
 - c. Ongoing durable medical equipment and supplies,
 - d. Therapies; e.g., physical, occupational, and speech therapies (PT, OT, ST). To illustrate, Medicaid Fee-For-Service provides access to unlimited PT, OT, and ST with no authorization requirements for children up thru age 18 (see #8 below).
 - e. Provisions for emergency fills and supplies when items are damaged or lost.
 - f. That plans offer at least an extra 2 to 4 weeks of extra prescriptions and have provisions for back up batteries, durable and non-durable equipment and supplies without prior authorization in the event of a disaster such as an earthquake or for a disaster preparedness kit.
8. A great example for therapies can be found in Washington State's Medicaid program. Here, there are no prior authorizations for a [full complement of therapies for clients age 20 and younger](#). Please see [WAC 182-545-200\(5\)](#). In the private market, insurance carriers generally have a specified number of visits allowed and then require prior authorization for subsequent therapies for children. We have found that prior authorization results in delayed access to care and therapists spending unnecessary (and unreimbursed) amounts of time on paper work.¹¹ Ultimately this means that children do not have full access to covered services. Often times, it has been reported that parents bear the financial burden of paying unnecessary out-of-pocket expenditures for covered services rather than delay care because of the provider burden of prior authorization. We recommend that prior authorization be eliminated for all therapies including feeding therapies as well as removing the cap on therapies for children age 6 and older through age 26 if the child has a progressive or chronic diagnosis; e.g., cerebral palsy, muscular dystrophy, etc.
9. Develop alternative medical necessity criteria to eliminate need to authorization such as policies that are clearly written which specify the medical necessity (i.e., ICD-10 codes) that are supported and paid for when providers bill correctly. Washington State's Medicaid program offers the opportunity for [Expedited Prior Authorization](#) (EPA) which is the process for obtaining authorization for selected health care services in which providers use a set of numeric codes to indicate to the agency or the agency's designee which acceptable indications, conditions, or agency or agency's designee-defined criteria are applicable to a particular request for authorization. EPA is a form of "prior authorization." Throughout the Agency's Medicaid programs as outlined in the [Provider Guides](#), there are many opportunities to access EPAs, thus eliminating the burden of unnecessary additional paperwork.

¹⁰ [Developing Structure and Process Standards for Systems of Care Serving Children and Youth with Special Health Care Needs](#)

¹¹ <http://medicaleconomics.modernmedicine.com/medical-economics/content/tags/insurance-companies/prior-authorization-predicament?page=full>

10. To promote continuity of care, health plans should consider allowing children and youth with special health care needs enrollees to continue to use the primary and specialty providers they have established relationships with at the time of enrollment, whether or not they are in their networks.
11. Whenever possible, health plans should consider what services were authorized prior to enrollment and continue them to prevent delay in care.

Other Resources

1. [What Children with Medical Complexity, Their Families, and Healthcare Providers Deserve from an Ideal Healthcare System](#)
2. [Developing Structure and Process Standards for Systems of Care Serving Children and Youth with Special Health Care Needs](#)