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Authorized Signature

Number: SPD-IM-04-071
Issue Date: 08/13/04

Topic: Medical Benefits

Subject: Centralization of the Prior Authorization of Medical Services and Supplies

Applies to (check all that apply):

- | | |
|--|--|
| <input type="checkbox"/> All DHS employees | <input type="checkbox"/> County Mental Health Directors |
| <input checked="" type="checkbox"/> Area Agencies on Aging | <input type="checkbox"/> Health Services |
| <input type="checkbox"/> Children, Adults and Families | <input checked="" type="checkbox"/> Seniors and People with Disabilities |
| <input type="checkbox"/> County DD Program Managers | <input type="checkbox"/> Other (please specify): |

Message: Attached is the second quarterly report on the centralization of the Prior Authorization process for medical services and supplies to OMAP. All Immediate and Urgent PAs have been processed within their required timeframes. However, the more complicated routine PAs on July 2nd had a 12 day backlog, meaning that the longest time for a response on a routine PA was 17 days. This was mainly caused by turnover in the Medical Unit. Remember that this does not apply to the PA process for Contract Nursing. The responsibility for that remains with the local SPD/AAA office.

If you have any questions about this information, contact:

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Project Overview

With the second month of full centralization of prior authorization completed, following is the June status report that provides stakeholders with the previous month's PA processing statistics, service levels, and documentation of new issues as well as status of issues that were previously identified. Corrective action plans and resolutions are also provided.

OMAP Processing Performance in June 2004

The Medical Unit (MU) received 3,318 prior authorization (PA) requests and processed 3,288. The total PA workload remaining was 1,043. The breakdown is as follows: PA inventory was 459 (44%) and the PA backlog was 584 (56%).

Based on client need and provider request, PAs may receive three levels of service: Immediate (24 hour), Urgent (3 working days) and Routine (5 working days). Throughout all phases of the project, Immediate and Urgent PAs have been processed within their required timeframes.

However, the MU was not able to achieve the goal of 5 working day inventory and 5 working day backlog scheduled for July 1st. On July 2nd, the processing status was a 17 working day turnaround for Routine PAs. This equates to a 12-day backlog.

Factors that impacted the ability to reach the goal are: unanticipated vacancies in both the professional (2) and technical (2) reviewer positions (initiated extra MU support due to illness and workload considerations).

Several actions were implemented in June to prevent further slippage in or contain the Routine backlog.

- Routed up to twenty PAs per day to Multnomah County (Jeanne Harold) for all SPD branch offices rather than just seven specific branches. For June, MU routed 418 requests to Multnomah County in contrast to the 121 requests sent in May.
- Continued temporary RN staffing of 16-20 hours per week.
- Collaborated with HR/Recruitment staff to expedite the hiring process for the 4 new vacancies.
- MU staff voluntarily worked 210 OT/CTS hours.
- Hired one Medical Review Coordinator to fill the existing vacancy.
- MU employee voluntarily delayed upcoming Job Development slated for August 1.
- Created transitional staffing plan with the receiving manager for an employee who was promoted to another work unit.
- Continued support from other OMAP work units to process MU work not related to prior authorization.
- Onsite provider training to decrease the number of incomplete requests.
- Upper management intervention and collaboration to resolve processing issues between OMAP and providers.
- Recognized and celebrated team support and successes when achieved.
- Advanced three employees to begin independent processing of technical PAs.

During the month of June, PAs were processed in the following quantities: Multnomah County: 418 (13%), PPS staff: 0, and MU staff: 2870 (83%) for a total of 3288.

The training of 8 new staff members continued on target and productivity increased. On July 5, the MU had 4 new vacancies. The backlog increased by 2 days to a total of 12 days at month's end. **While we are committed to providing timely processing of PAs, it is anticipated that an increase in the PA backlog will occur until vacancies are filled and training of staff is completed.**

OMAP Operational Plan for July 2004

The PA processing of the technical review staff includes more items of DME and supplies. Voluntary overtime will continue to be worked in July.

Due to workload considerations and logistic issues, the use of OMAP PPS staff is not viable and will be discontinued in the operational Backlog Reduction Action plan.

The recruitment process for the OS2 vacancies closed July 20 as open competitive to eliminate the lengthy process experienced previously. Approximately 30 applications were received as of the closing date.

The Medical Review Coordinator recruitment closed July 20 with 6 applications received. The MU manager is working closely with the DHS Human Resources to re-review the ongoing recruitment and retention difficulties these positions experience.

Issues/Progress: Emerging and Resolved

Issues that were identified in earlier phases of the project were also present in June with some improvement. These issues are:

1. Compliance is increasing in providing complete information by providers in order to technically process the PA and comply with established rules. This resulted in a decrease in the workload associated with send back letters requesting information.
2. Calculation of Manufacturer's Suggested Retail Price (MSRP) for certain services at 80% of MSRP as required by rule.
3. Decrease in number of requests received for dual eligible clients (Medicare/Medicaid), and subsequent workload decrease in MU notification that PA is not required.
4. OMAP and SPD continue to meet about services that are considered part of the all inclusive nursing home fee.
5. Stabilization of staffing to eliminate the fluctuations in the PA request inventory/backlog and the continued use of other staffing resources and high utilization of OT/CTA.
6. Evaluation of reasonable processing time frames based on industry standards. Managed care plan contracts require fourteen days. Seven similar Medicaid states are

being contacted to provide information to establish operational benchmarks about processing standards such as volume, time frames, and staffing ratios.

7. Reduction in the number of Standard clients and benefits may yield a reduction in some services that may be offset by having access to other services such as DME.

With respect to issues 1 and 2, MU staff and policy analysts continue with extensive phone training and onsite training, as warranted.

The PA Centralization project represents a significant undertaking and collaboration for the success of the implementation. Stakeholder apprehension and concern seems to be lessening. Most providers expressed understanding of the magnitude of the implementation process. The number of incidents of customer frustration, perceived or expressed, is declining. The PA process is modified to ensure timely access to care. OMAP policy is exploring ways to minimize policy impact on providers as the PA of medical services often involves the exchange of complex information. Exchange of timely responses continues as a shared responsibility between OMAP and the providers, and the ongoing commitment to ensure that delays in PA processing are kept to the absolute minimum.