How Decision-Support Tools Cure the Prior Authorization Time Drain

Working with the New England Healthcare Exchange Network and Informatics In Context, Cognizant is testing a real-time prior authorization system for medical and administrative policies that is saving significant processing time and money.

Executive Summary

Unraveling complex medical and administrative policies for prior authorizations (PAs) is daunting. Payers and providers have long expressed frustration with the time their staff spends on navigating the complexities of PAs. It's an incredibly cumbersome, manual process that takes hours of time per patient to ensure that he or she gets the necessary follow-up treatment. Though a solution exists to these challenges — in the form of real-time decision support tools — adoption rates of this technology by payers and providers runs at a mere 6% to 10%.1

Physicians indicate that their staff members spend an average of 20 hours or more per week obtaining PAs.2,3 This includes manually filling out and submitting the required supporting documents for each PA request via paper-based methods. Likewise, payers must manually receive PA requests, enter them into their care management or utilization management systems containing business and clinical logic, and then review and approve or deny the requests. Once a PA request is received by a payer, it can take an average of six to seven days to make it through the manual review process. Only then can a provider confidently schedule the procedure. Hold-ups in PA approvals delay the scheduling of procedures.

Time spent on PAs translates into real costs. PAs with attachments have shown a high savings opportunity per transaction, with estimates upward of $45 per transaction.4

New England Healthcare Exchange Network (NEHEN), in partnership with Cognizant and Informatics In Context (IIC), have developed a proven solution. NEHEN spent 12 months conducting interviews with payers and providers on what improvements are needed in administrative data exchange (ADX). The interviews uncovered significant efficiency shortcomings in the PA and referral processes. NEHEN then analyzed the interview information and, working with Cognizant, selected IIC to conduct a proof-of-concept project. The pilot project was to develop a “rules engine,” to be connected to the payer utilization management systems, which would automate payer-specific medical and administrative policies.

Providers use a web portal to enter and upload the information specifically needed for the clinical service being requested. The portal allows them to submit the necessary data to the payer in real time, leveraging a standard EDI 278 transaction or payer-defined transaction.
IIC is unique in its ability to automate payers’ business and clinical rules and provide immediate feedback to providers. The feedback reveals what information is required to process an authorization approval in real time – thereby eliminating the manual review process, wait time and follow-up by providers. This significantly simplifies administrative processing for payers and providers, reduces unnecessary delays and lowers costs.

**Real-Time Prior Authorization Pilot**

The Real-Time PA Pilot has proven to be effective at maximizing the number of requests that are auto-approved based on providers’ real-time delivery of the requested data. Initial pilot project participants include:

- **Payer:** Harvard Pilgrim Health Care.
- **Providers:** VNA Care Network; Beth Israel Deaconess Medical Center, Department of Surgery and Ambulatory Operations OBGYN Services.

Phase one of the pilot ran from Nov. 14, 2016, to Jan. 30, 2017. It targeted three high-utilization medical policies: home health care; select pharmacy drugs (Rituxan, Alox, Emend and Anzemet); and select surgical policies (knee arthroplasty, varicose vein procedures, breast surgeries, hysterectomies and cholecystectomies).

As of Jan. 6, 2017, 90% of the transactions were touchless – meaning they did not require either payer intervention or provider follow-up. Additionally, the pilot allowed providers to track submissions with real-time adjudication status rather than submitting a fax to request this information or not knowing the status at all. Real-time tracking is projected to generate over 85% in cost and resource savings. One pilot participant reported that the IIC platform had reduced its processing time from one week to 20 minutes, allowing highly-skilled clinical staff to focus on care management activities vs. manual processes.

Pilot participants are committed to extending the pilot given the positive results and working relationships with NEHEN, Cognizant and IIC. Early advantages include:

- Easy-to-use provider portal and trouble-free platform integration that can send transactions to all participating payers.
- Easy-to-understand processes and minimized number of input fields.
- Potential to reduce fraud.
- Reconciled requests against payer policies prior to submission, ensuring compliance and reducing denials, appeals and medical reviews.
- Improved patient outcomes.

“Quick Take”

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**Initial Pilot Findings**

- Pre-pilot average transaction time: 6 days per transaction.
- Pre-pilot average transaction cost: $45+ per transaction.
- Post-pilot average transaction time: 15 minutes per transaction.
- Post-pilot average operational cost savings: 80%.

“Verbatim”

“In addition to reducing processing times, IIC’s automated platform has exhibited how clinical information can be communicated in a more systematic way. It’s reduced the need for human intervention, while still allowing for effective evaluation of authorizations. Being part of this pilot gave us the opportunity to be part of something that is innovative and seldom heard of in the world of prior authorizations.”

— Rhonda Starkey, Director of eBusiness Services, Harvard Pilgrim Health Care

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- Post-pilot average operational cost savings: 80%.
• Capacity to concurrently populate payers’ utilization management systems and providers’ complete requests.
• Ability to extend patient visits without additional paperwork.
• Improvements to patient intake and reduced scheduling time.

Next Steps
All pilot participants have agreed to extend NEHEN’s Real-Time Prior Authorization Pilot through the first quarter of 2017. This will allow for increased data collection and an expansion of the transactions evaluated. After learning about the real-time PA adjudication success, other payer and provider organizations have come forward to participate. The pilot team is in active discussions with local large health systems like Partners HealthCare. NEHEN and Cognizant are planning on publishing a white paper with the pilot’s final results in May 2017.

At a Glance: Key Partners

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• Real-time validation, evaluation and adjudication of medical policies.
• Single point of access for PAs and real-time ability to check eligibility.

Informatics In Context (IIC) offers payers a transformative standards-based solution that fully automates their authorization process to become real-time based on the ACA mandated EDI 278 standard for medical procedures, tests, labs and drugs covered under medical benefits. IIC is able to achieve a high level of touchless adjudication by automating all of the payer’s policies and guidelines, including all business and clinical rules, required for real-time responses. For more information: informaticsincontext.com

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Harvard Pilgrim Health Care is a not-for-profit health services company serving members throughout Connecticut, Maine, Massachusetts and New Hampshire. Our mission is to improve the quality and value of health care for the people and communities we serve. For more than 45 years, Harvard Pilgrim has built a reputation for exceptional clinical quality, preventive care, disease management and member satisfaction, and has consistently rated among the top plans in the country. For more information: www.harvardpilgrim.org

Verbatim

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Founded in 1998, the New England Healthcare Exchange Network (NEHEN) is a consortium of regional payers and providers that has designed and implemented a secure and innovative health information exchange with the intent of reducing administrative costs and improving the quality, safety and efficiency of patients. NEHEN is known to be an agile, innovative and collaborative organization serving both payer and provider member organizations. For more information: www.nehen.net

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Harvard Pilgrim is a not-for-profit health services company serving members throughout Connecticut, Maine, Massachusetts and New Hampshire. Our mission is to improve the quality and value of health care for the people and communities we serve. For more than 45 years, Harvard Pilgrim has built a reputation for exceptional clinical quality, preventive care, disease management and member satisfaction, and has consistently rated among the top plans in the country. For more information: www.harvardpilgrim.org
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Footnotes

1 CAQH Index 2013-2014.
4 CAQH Index 2015.
5 Op. Cit. footnote no. 3.

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