Prior Authorization for Behavioral Health Services

Sheila A. Schuster, Ph.D.
kyadvocacy@gmail.com

July 21, 2021

What is Prior Authorization?

- **Prior authorization (PA)** is a utilization management (UM) process used by insurers to determine if a prescribed product or service will be covered. The process is intended to act as a safety and cost-saving measure, although it has been criticized by providers for being costly, time-consuming and delaying care.
- PA decisions on approving or denying services are based on "medical necessity", which is not always transparent. HB 69, passed in the 2018 GA, sought to have DOI select a single medical necessity criteria, but has never been implemented due to "proprietary concerns" of the insurers, coupled with a law suit.
- Insurers also have the right to do Retrospective Reviews after which they can recoup payments if services are found to be unnecessary.

Suspension of Prior Authorizations

- As the COVID-19 pandemic began, the KY Department for Medicaid Services (DMS) suspended Prior Authorizations (PA's) for all services except for pharmacy.
- Gradually, DMS has ended the suspension of PAs for most physical health services, except those related to COVID…but to date, PAs for behavioral health (mental health and addiction services) have remained in place.
- The current status of PAs is reviewed on a monthly basis by DMS staff and an update issued if there are any changes. Providers are required to receive at least 30 days' notice of a change from DMS in the PA status.

Behavioral Health – SMI, SUD & SED

Severe Mental Illness (SMI) includes diagnoses such as schizophrenia, schizoaffective disorder, bipolar disorder and delusional disorder. They are the most serious of the mental illness diagnoses.

Substance Use Disorder (SUD) includes all of the addictive disorders including use disorders of alcohol, opioids and other substances.

Severe Emotional Disturbance (SED) includes the most serious mental illness diagnoses in children and youths.

BH Services for SMI & SUD

These services require PAs:

Initial services for establishing a diagnosis and a plan of treatment.

Targeted Case Management (TCM)

Medication(s) not on the Preferred Drug List (PDL)

Therapeutic Rehabilitation (TR) or Day Treatment

Therapy services – Individual or Group

Assertive Community Treatment (ACT)

Community Support Services (CSS)

Intensive Out-Patient Treatment (IOP)

Detox

Residential SUD Treatment – Short-Term or Long-Term

Impact of COVID on Persons with Behavioral Health Issues

There is a growing body of research documenting the negative impact of COVID on behavioral health, ranging from depression and anxiety to suicidal ideation, increased use of substances and increased interpersonal violence.

The uncertainty, isolation and fears of physical illness in many cases have exacerbated the symptoms of those suffering from SMI or SUD and interrupted or changed the course of treatment for many. Individuals not already in treatment are seeking help.

Moving forward as COVID (hopefully) continues to decline, these clients will need support and resources to be able to return to a 'normal' life where they can function successfully.

Impact of COVID on Persons with Behavioral Health Issues

* <u>Medicaid Spending: 7/19–2/20 vs. 7/20–2/21</u>

Mental Hospital – 293% increase

Residential Crisis Stabilization Unit (CSU) – 266% increase

Psych Residential Treatment Facility (PRTF) – 93% increase

CMHC – 88% increase

* Reported by Comm. Lee at MOAC Meeting on 5/20/21

Some providers reported a decrease in the number of individuals served, particularly with in-person TR programs or where telehealth was not an effective alternative. Providers also reported an increase in BH needs and more client outreach, due to the isolation, anxiety and other negative effects of COVID on individuals' functioning, living arrangements and support systems.

PAs with BH Services

- **Prior authorization (PA)** should be assessed on a case-by-case basis, but behavioral health providers have heard from Medicaid MCOs additional requirements or arbitrary, preset limitations:
- Patient must be participating in psychotherapy. If the client is not engaged in therapy, MCO would only authorize one month of TCM so that the client could be linked to a therapist. Many SMI clients are not good candidates for therapy, nor are they interested in traditional therapy. This requirement does not represent person-centered treatment or a commitment to continually assess the client's needs, goals and progress in their individualized recovery.
- "TCM will only be approved for a 12-month period for an SMI client over a lifetime." Is this akin to limiting the amount of insulin a diabetic patient will receive over a lifetime?

PAs with BH Services

- Prior authorizations for SMI services tend to utilize a “one size/process fits all” which disregards the tenet of person-centered treatment used by accrediting bodies (CARF and JCAHO, as well as the Cabinet for Health & Family Services).
- PAs should not be rationing BH services for Medicaid recipients.
- The nature of mental illness symptoms is rarely linear and the PA approval process assumes linear progress. SMI symptoms, and more importantly, the recovery process, is cyclical. When a person enters outpatient treatment – either from a hospital or on their own (self or family referral), the goal is to meet that person where they are and to structure the types of services and the frequency with which they are delivered to meet the person’s needs initially and then over the course of recovery.

Why Are BH Services Like TCM Not Authorized?

Here are some reasons given for denials or shortened time periods for TCM

- The MCOs told us that TCM is a time-limited service so most would get 3 months if they had never had TCM before. It is standard to have a denial or 1 month to transition out of TCM after the 3-month period was completed
- If a client had an extensive history of hospitalizations, they would allow up to 9 months of TCM, but instructed that "no one should need a full year"
- MCOs would review a prior authorization request to reenter TCM services after a denial <u>only</u> if the client had been hospitalized again…an event which we want to avoid
- SMI is a <u>chronic illness</u>. Many individuals with SMI were denied services because they were "not showing adequate improvement". Diagnoses such as Schizophrenia are degenerative in nature, so these persons will continue to need extra supports (TR, TCM, CSS) throughout their lives. These services decrease hospitalizations and inpatient stays, which is better for the client and saves Medicaid money!

Why Are BH Services Not Authorized? An SUD Example

From a CMHC providing Intensive Out Patient (IOP) SUD Treatment:

- PAs for IOP were never denied on the basis of not meeting clinical criteria. We have a strict internal referral process with clinical review (including meeting ASAM level of care requirements) prior to the client being accepted into IOP program or PA being submitted.
- IOP denials did sometimes occur due to MCO-imposed timeframes for PA. The PA for IOP is due within 24 hours of beginning the services - BUT many MCOs told us to not even submit the PA until the client began the service, so we could not plan in advance or submit early. Sometimes, when client or clinical supervision needs had to be prioritized, the 24-hour requirement for PA submission would be missed. In those instances, the MCO would deny coverage on the days not within the 24-hour time frame but would pick up coverage after someone was already engaged in treatment. This never made sense. If someone meets criteria on day 2 or 3 of treatment, they would have obviously met criteria on day 1.

Impact of No BH Prior Authorizations on Medicaid Recipients with SMI or SUD

- Recipients with behavioral health diagnoses are able to access prescribed services without delay. This is especially critical for SUD patients, where treatment needs to be made available as soon as the person indicates they are ready to start it. Delay often means failure to engage.
- Patients are less likely to fall through the cracks and end up in the revolving door of repeated hospitalizations, encounters with the criminal justice system and homelessness. Follow-up by providers after TCM is denied often show this happening with clients.
- Significant changes in the patient's status can be identified and addressed more quickly, often averting a crisis
- There is continuity of care – without disruptions, and treatment plans can be carried out without fear of an abrupt denial of services

Impact of No BH Prior Authorizations on Medicaid Recipients with SMI

- Case Manager (CM) helped KH, a 55 year old woman with SMI to learn Activities of Daily Living (ADLs) and the illness management skills needed for her to live independently for the first time.
- CM observed physical health issues, coordinated multiple physical health appointments and assisted KH at these appointments as she was unable to adequately report her experiences or to understand the physicians' recommendations.
- When prior authorizations for TCM were required, the MCO advised that TCM is a short-term service and that KH had already had it for 6 months.
- Without KH having ongoing TCM services, she would not be able to receive the supports she needs to help her maintain her housing.
- Without those TCM services, KH would not be getting the medical care that she needs and could very well be one of the many adults with serious mental illness who die prematurely.

Impact of No Prior Authorizations on Behavioral Health Providers

- The suspension of PAs allowed our staff to provide services unencumbered by the seemingly unnecessary administrative burden of preauthorizing and re-authorizing services for a population who will only decompensate if this support is removed.
- Staff have more time each day to devote to patient care, rather than to the paperwork and phone calls dealing with PAs.
- Staff are not having to take time in the middle of the course of treatment to anticipate and file PAs for the next set of treatments.

Impact of No Prior Authorizations on Behavioral Health Providers

Approximate staff time previously dedicated to Prior Auths:

- ACT + TCM + TR for 50 SMI Clients = 40 hours/week
- IOP + CSW for 15 SUD Clients = 12+ hours/week

Ongoing reviews:

- Direct service staff (TCMs and TR therapists) had to spend time with admin tasks of returning phone calls to MCOs re: ongoing authorization requests vs. providing direct services to those in need.
- For IOP- MCOs authorized 7-20 days of service at a time. Our program is 5 days/week, which resulted in phone reviews on these PAs once per week for most clients. In early recovery, not much changes clinically in the first month of service (unless higher level of care is needed).

Bottom Line: Therapists can save the administrative time they used to spend on PAs to actually treat clients!

Impact of No Prior Authorizations on Behavioral Health Providers

BH providers were able to do "maintenance and prevention" and "prompt intervention" more easily and were spending less time on PAs so they could "actually treat clients." This increased access to treatment leads to better outcomes.

We have criteria for SMI/SED and at least moderate-severe SUD, as well as the LOCUS and CASII in place as appropriate clinical guidelines internally.

The success of services may not be a REDUCTION of symptoms, but maintenance of functioning with prevention of hospitalization and less risk to self and community.

Less than 1% of all PAs are denied for ACT + TCM + TR. Only 25 out of 1933 initial auths were denied in the timeframe of 3/2019 - 3/2020. So what's the value of doing PA's and taking time away from direct patient care?

Targeted Case Management (TCM) – A Case Study in Progress

TCM is defined in the Medicaid regulation as: (a) Services to assist a recipient in gaining access to needed medical, social, educational, or other services; including: (b) A comprehensive assessment and periodic reassessments of the recipient's needs; Development and periodic revision of a specific care plan; A referral to help the recipient obtain needed services; Monitoring or follow-up activities; Contacts with non-recipients who are directly related to help with identifying supports necessary for the recipient to obtain services and Alerting a case manager to a change in the recipient's needs.

TCM is **restricted** to those Medicaid recipients who are diagnosed with the most serious disorders – SMI, SED, moderate to severe SUD or those recipients with a BH disorder plus chronic, complex medical needs.

Most TCM clients with SMI require long term case management as it serves as an external source of executive functioning, which they lack.

Targeted Case Management (TCM) – A Case Study in Progress

Before the suspension of the PAs by DMS due to COVID, there had been extensive discussions in the Behavioral Health Technical Advisory Committee (BH TAC) meetings about the difficulties experienced by Medicaid recipients with SMI in accessing Targeted Case Management (TCM) because of PAs being done by some – but not all – of the MCOs.

DMS Commissioner Lee urged a "deep dive" into the DMS databank to study the use of TCM and the outcomes achieved.

A study group that included Dr. Allen Brenzel (DBHDID) and several experienced providers and advocates outlined the data to be "pulled" by DMS to examine the effectiveness of TCM for adults with SMI.

The study group of 8,600+ Medicaid recipients has been identified in Phase I and the second phase of data is now being pulled to look at variables including hospitalizations, ER use, medication compliance, and if available, housing status and contacts with the criminal justice system.

Stay tuned!

Rationale for Continuing PA Suspension for BH Services

- Eliminating prior authorizations goes a long way to allowing us to help individuals break the cycle of addiction.
- Less staff time is being spent on administrative work for PA completion and more time providing direct services to clients.
- New referrals are receiving services for SMI and SUD sooner without the requirement of a PA.
- Staff and clients are experiencing less stress directly related to concern that services could end abruptly due to a PA denial.
- These services already have specific requirements established for eligibility. PAs are administratively burdensome and not clinically necessary.
- Not requiring PA's reduces the incidents of failed and denied claims, as well as the resources it takes to obtain the authorizations.

Recommendations

(#1) Continue the current suspension of PAs for all BH services at least until the end of the year (recovery from COVID) and evaluate then.

(2a) Continue indefinitely the suspension of PAs for clients with SMI and SED: TCM, ACT, TR and for:

(2b) Clients with SUD: MAT, Outpatient Therapy, Initial IOP & Short-Term Residential. OR

(3) Exempt the initial 90 days of all BH services from PAs and then phase-in PAs.

(4) Remove arbitrary pre-set limits on TCM.

Questions?

Sheila A. Schuster, Ph.D.
kyadvocacy@gmail.com