

Administrative Simplification

Overview of Rhode Island's Administrative Simplification Workgroup
Convened by the Office of the Health Insurance Commissioner

Agenda

I. Workgroup Background & Charge

II. Section 1:

Eligibility & Benefit Design

III. Section 2:

Coding & Billing Requirements

IV. Section 3:

Medical Management & Administrative Appeals

V. Phase II

Admin Simp Workgroup: Background

- Taskforce convened by OHIC, per legislative charge, to address three key areas of administrative burden in the healthcare system
- **Membership includes:**
 - Providers
 - Payers
 - State government
 - National standard-setting bodies
 - Associations
- Began meeting in October 2012 and will wrap up this year's work by July 2013

Workgroup Focus: Three Buckets

1. Eligibility & Benefit Design Issues:

Example task: Ensure that providers are able to correctly – and in a timely manner – verify a patient’s eligibility with a particular insurer and that the patient is covered for a given visit or service.

2. Coding & Billing Requirements:

Example task: Ensure that all payers and providers use the same set of national coding standards to bill and pay for a given service

3. Medical Management & Administrative Appeals:

Example task: Simplify the administrative appeals process by introducing checklists and timelines. Automate the prior authorization process by using tools already available to providers and payers.

Grounding Principles

1. In this first year, **assess the landscape** of administrative burden
 - ❖ Recommendations highlight “pain points” and allow for flexibility
2. **Data** is the foundation to problem-spotting
 - ❖ Move away from anecdote
 - ❖ Rely on policies, procedures, frequency distributions, and process mapping whenever possible
3. Recommendations are **balanced** and acknowledge industry-wide inefficiency

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Eligibility & Benefit Design

Summary of Major Findings

1. Retroactive termination is troublesome and costly for both payers and providers
2. Patient eligibility and benefit design information is not always available or accurate
3. COB information is not consistently available

Select Recommendations

1. Recommend that payers do not retroactively change a member's eligibility if there are claims on file
2. Simplify and automate the COB information request form
3. Develop standards for administrative appeals

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Coding & Billing Requirements

Summary of Major Findings

1. Payers and providers inconsistently interpret national coding standards and have no forum for reconciling the differences
2. Some payers misread corrected, resubmitted claims as duplicate claims
3. Claims edit systems for some payers may not read all diagnoses codes on a claim
4. Some payers recognize “Unlisted” Current Procedural Terminology (CPT) codes differently

Select Recommendations

1. OHIC will convene regular all-payer, all-provider meetings to resolve systemic coding issues. Include both leaders and technical experts.
2. Payers post expected dates of coding upgrades and changes

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Administrative Appeals & Medical Management

Summary of Major Findings

1. The administrative appeals process is less defined than the medical appeals process
 - ❖ Lacks **response timelines** and **content guidelines** for applications and responses
2. Providers may submit too much and/or insufficient information for an appeal
3. The prior authorization process is complicated, increasingly frequent and is often manual

Potential Recommendations

Note: In development, not yet approved

1. Develop response timelines for payers and an application/request checklist for providers
2. Expand the use of electronic tools (*X12 transactions*) to automate the prior authorization process and simplify other processes

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Admin Simp: What's Next?

- ❖ The first phase of the Admin Simp workgroup **identified the industry pain points** most in need of simplification and developed strategic **recommendations**
- ❖ The goal of the next phase(s) of the workgroup is to **implement the recommendations** while emphasizing coordination, balance, and effectiveness
- ❖ **OHIC recommends expanding leadership** and funding to accomplish the ambitious and intensive path Phase I laid out