

The Power of the cHIE: Solving the Prior Authorization and Attachment Challenge While Saving Money

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Abstract: UHIN worked with Avalon Long Term Care (LTC) and Utah Medicaid to see if the Utah HIE (the cHIE) could be leveraged to improve the efficiency of Medicaid LTC admissions. The result was a 73% decrease in the cost of doing LTC admissions. Every LTC facility in Utah signed up with the cHIE within a space of 6 months.

Introduction: HIPAA went some distance in solving the more troublesome interoperability problems that plagued administrative transactions. One of the problems that remain generally unsolved is the issue of sending clinical attachments to payers so that they can make authorization decisions. This brief article is about a success story of leveraging an HIE to solve that problem. Utah has implemented a state-wide HIE called the cHIE. The cHIE is saving the Utah Long Term Care (LTC) industry nearly \$250,000 per year and is opening the path to a more efficient process for Medicaid and the possibility of a searchable database.

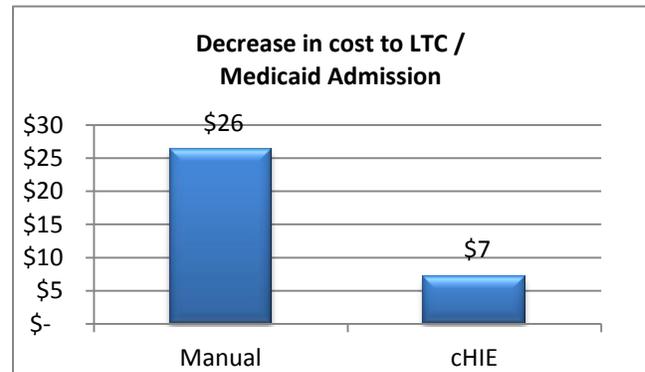


Figure 1: Decrease in cost to LTC/Medicaid Admission

The problem: Sending clinical attachments to payers for authorization/prior authorization/re-authorization and claim payment purposes is a highly complex problem. Payers receive a large number of attachments from providers and, in order to process them, must have a control number that links the specific attachment to either a specific authorization request or a claim. In addition, payers want only attachments that they request but typically receive many more.

Utah Medicaid and LTC: Utah Medicaid requires that an LTC facility pre-authorize the admission of a Medicaid patient using a specific form called the 10-A. Frequently, Medicaid requires additional documentation (attachments) to support the 10-A. This was a particularly significant problem for the LTC facilities because Medicaid often did not receive the faxed 10-A forms. Additionally, there was at times a delay in communicating the need for attachments. It had become such a critical problem that many of the LTC facilities were using certified mail. This proved to be both expensive and, although more reliable than fax, still not completely dependable. As a result, the LTC facilities were at some financial risk when admitting Medicaid patients. Because Medicaid patients often comprise the major portion of LTC censuses, this translated into a significant financial risk. Both Medicaid and the LTC companies were very interested in working to improve this process.

The solution: UHIN used the cHIE to create an electronic version of the 10-A form and then worked with Avalon Healthcare, Inc. to test and finalize the workflow process. This is how it works: When a Medicaid patient is anticipated to be admitted to an LTC facility, the LTC case worker completes the electronic 10-A form and securely sends it through the cHIE to the specific Medicaid contact person, who forwards it to the nurse who handles LTC prior authorizations. The Medicaid nurse reviews the 10-A form and can either inform the LTC case worker of the decision or request additional documentation (attachments). If attachments are requested, the LTC case worker gathers the documents and securely sends them through the cHIE to Medicaid. The attachment contains the Medicaid control number so that Medicaid can easily link the attachments to the specific 10-A request. If the attachment is in HL7 format (the LTC industry is increasingly adopting EHRs), UHIN turns it into a PDF so that Medicaid can easily access it. The entire process is auditable so there are no more 'lost faxes' to deal with. This saves both Medicaid and the LTC facilities time and reduces frustration.

The Impact: This solution has significantly simplified the work at LTC facilities to admit Medicaid patients. **On average, using the cHIE reduces 73% of the cost of a Medicaid LTC admission for the facility** (see Figure 1). For the state as a whole, UHIN estimates that the industry has saved approximately \$248,000 annually. Medicaid looks to experience an improved process as they migrate from the existing manual process at the end of 2012. In addition, Medicaid now has the potential to store the electronic version of the 10-A form, which will not only make the process more efficient for Medicaid but opens up the possibility of creating a searchable database for future analysis.

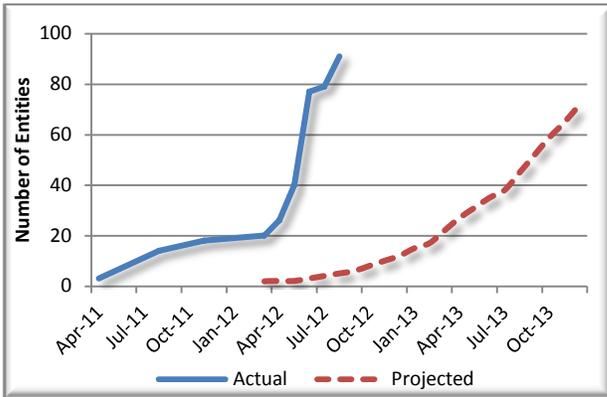


Figure 2: Utah LTC cHIE Adoption

Conclusion: The cHIE has provided a solution that is far less expensive and more efficient than the previous manual process. As a measure of this success, all 96 Utah LTC companies signed up for this HIE service within a space of about 6 months in 2012 and are now paying members of UHIN's HIE (see Figure 2). It has also significantly improved the working relationship between the LTC industry in Utah and Medicaid.