



COST-EFFECTIVE REAL-TIME PRIOR AUTHORIZATION: AUTOMATING AUTHORIZATIONS AND CLINICAL CARE GUIDELINES FOR PAYERS

Prior Authorization (PA) is a necessary method to control costs for outpatient procedures, tests, labs, inpatient admits, stay extensions, medical equipment (DME), prescription drugs covered under medical benefits, etc. Prior authorization is currently a manual and time-consuming process that is expensive, inefficient, and administratively burdensome. All payers, including Medicare, must review requests based on their own appropriate use criteria and handle time-consuming appeals. Automating the prior authorization process in real-time requires automated reconciliation of requests based on the payer's payment policies and appropriate use guidelines.

Section 218(B) of H.R. 4203 mandates that Medicare and all payers promote evidence-based care by implementing Appropriate Use Criteria (AUC). AUC is the only truly effective means to ensure proper and appropriate use for medical treatment that drives medical decisions towards patient centric, evidence-based medicine. When paired with prior authorization, AUC promotes effective treatment regimens and the advancement of patient care while containing costs.

Informatics In Context's (IIC) 278 Authorization Engine enables payers to respond in real-time to the vast majority of prior authorization requests without human intervention, by automating all of the payer's clinical guidelines used to approve, pend or deny requests. This innovative real-time prior authorization solution fully complies with EDI 278, an ACA mandate required for payer adoption by Jan 1, 2016.

More than just offering regulatory compliance via the EDI 278 standard, IIC enables automation of all the payers clinical guidelines used to determine if a prior authorization request meets the payers appropriate use criteria. It also allows payers to internally edit and update guidelines as they change. IIC automates all clinical care guidelines payers use to approve, pend, or deny requests and looks up the correct choices based on the payers clinical care guidelines (appropriate use criteria). The 278 authorization engine is easily integrated into any system with a well-defined API and it works with any portal or system that sends EDI 278 requests.

Enabling payers to automate their prior authorization process offers an order of magnitude cost savings per PA transaction, including the ability to exchange documents electronically with their providers via EDI 275, an electronic document transaction standard. The goal is to eliminate all paper, fax, and phone call volumes by implementing a fully electronic authorization process.

Real-time authorization turn-around times translate to scheduling and treating patients without undue delays, resulting in improved outcomes and increased customer (patient and member) satisfaction. When the prior authorization process is automated and done right the first time,

prior authorization prevents post-service denials, re-adjudication of claims, impacts reprocessing rates, eliminates medical review, and avoids recalculation of member liability.

Prior authorization is the only effective pre-service, pre-payment method to prevent unnecessary treatment, over-utilization, and misuse. Timely denials prevent inappropriate reimbursement of services and dramatically reduce the need for medical review and re-adjudication of claims.