



EXPANDABLE AND SCALABLE UTILIZATION MANAGEMENT: EDI 278 AUTHORIZATION ENGINE FOR PAYERS

Expansion and scalability of the utilization management function based on a real-time automated prior authorization process protects insurer payments, and enables patients to receive the most medically appropriate services based on payer policies, prior to inappropriate services being rendered by the provider.

EDI 278 is real-time communications standard for prior authorization mandated within the ACA, required for payer adoption by Jan 1, 2016. Informatics in Context's (IIC's) 278 authorization engine is the most cost effective investment payers can make to improve service quality, patient outcomes and increase value, providing the most effective method for medical oversight and compliance.

A recent report from the RAND Corporation of the effectiveness of physician-designed clinical decision support programs shows that decision support on the provider side doesn't work to reduce costs and change physician ordering patterns. Because utilization management is currently a labor intensive process by which the provider submits prior authorization requests to their payers, the number of procedures for which prior authorization is required is much lower than it needs to be to ensure efficient utilization of medical services. The current submission processes of payers and providers lend themselves to making mistakes which results in unnecessary testing, over-utilization, and misuse.

The 278 authorization engine allows scalable utilization management and real-time prior authorization adjudication based on an automated and scalable process. A scalable utilization management process enables payers to expand the scope of prior authorization to protect plan resources by covering mid and lower priced and higher volume services where misuse and over-utilization is most prevalent.

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.

Real-time automated prior authorization is the only way to effectively scale utilization management and improve quality in a cost-effective manner, while protecting efficiency of service delivery and increasing patient/provider satisfaction. Utilizing the payer's existing workflow, the system is able to recommend alternative appropriate clinical cost-saving options that enable delivery of high quality care at the lowest cost. Advanced analytics can be applied to detecting trends and patterns, such as fraud alerts, procedure selection patterns, provider submission patterns, and more.

To reduce or eliminate the need to send paper and fax back and forth between payers and providers, IIC's solution deploys the EDI 275 transaction standard, a method to exchange documents electronically, which also reduces call center volumes.

Automating the prior authorization process using the EDI 278 standard is the only effective way to ensure that plan assets are protected from fraud, abuse and over-utilization of services in a way that delivers cost savings and value for the plan, high quality care for patients and consistent service delivery by participating providers. Payers and providers can realize an order of magnitude cost savings per transaction when payers deploy IIC's 278 authorization engine.