

Policy/Procedure Title: Physician and Provider Preauthorization Exemptions	
Policy/Procedure Number: 696	Primary Department: Health Services
Effective Date: 10/01/2022	Policy Category: Utilization Management
Last Review Date: 07/01/2022 Last Revision Date: N/A, new policy Next Review Date:	Replaces Policy: N/A
Internal References: <i>(Related Policies/Desktops)</i> N/A	External References: <i>(Regulatory/Accreditation)</i> <u>Texas Insurance Code 4201, Subchapter N “Exemption From Preauthorization Requirements For Physicians And Providers Providing Certain Health Care Services”</u>

Policy: Physician and Provider Preauthorization Exemptions
Policy Purpose: To describe for physicians and providers (“Providers”) how Sendero Health Plans’ processes are designed to align with Texas 87 th Legislature House Bill 3459 regarding Texas Insurance Code 4201.653, Subchapter N “Exemption from Preauthorization Requirements for Providers Providing Certain Health Care Services”.
Scope: This policy applies to IdealCare products.

Policy: *(Outline of activities and steps used to implement the policy)*

General Preauthorization Exemption Information

Providers must supply Sendero with their preferred way of receiving exemption correspondence for their NPI. Instructions on how to notify Sendero are included on all Sendero exemption correspondence and are published on the Sendero website provider pages in the authorization section.

Sendero will send each exemption approval, denial or rescission notice once to each physician or provider via their preferred method – Fax, Email, or Mail.

Providers are responsible for circulating any received exemption notice to each of their affiliated offices and groups where Sendero Members are treated.

Initial Exemption Determinations

- A. Sendero Health Plans (Sendero) will conduct initial exemption determinations once every six months.
1. Providers will be identified for initial exemption review by examining the volume of medical necessity preauthorization determinations by health care service code listed on the preauthorization code lookup list and individual NPI.
 2. Each Provider will be eligible for initial exemption review if there were at least five eligible preauthorization requests submitted by the provider and determined during the evaluation period.
 3. Sendero will send an “*Initial Notice of Exemption for Certain Healthcare Services*” notice to Providers who meet the exemption threshold of a 90% preauthorization approval rate.
 - a. When a provider has received such notification from Sendero, they are not required to obtain preauthorization for the service(s) listed on the notice from Sendero.
 - b. Exemptions will be in place for a minimum of six (6) months and unless or until Sendero issues an exemption rescission notice.
 - c. Twice-a-year for the exempt services Sendero will conduct retrospective medical necessity reviews to determine if the exemption is subject to rescission.
 4. Sendero will send a *Denial of Exemption* notice to Providers identified for initial exemption review not meeting the exemption threshold of a 90% approval rate.

Ongoing Exemption Review and Determinations

- A. No more than twice a year, Sendero will conduct retrospective medical necessity reviews of the exempt services.
- B. This procedure involves:
1. Selection of a random sample of not fewer than 5 and not more than 20 claims for a particular exempt service for each Provider.
 2. Request medical records associated with each claim from each exempt provider using their preferred contact information for exemption correspondence. Sendero will review the records using the medical necessity criteria that would have been used when conducting preauthorization review for the service during the relevant evaluation period (the “Retrospective Medical Necessity Review”).
 3. Providers will be given 30 calendar days to fax or deliver the necessary records to Sendero. **Time is of the essence in responding**, so Providers should watch carefully at their preferred email, fax number, or mailing address that they provided to Sendero for exemption correspondence for a Sendero

notice titled “Retrospective Review Records Request”. **Failure to provide records within the stated timeframe may lead to rescission of the exemption.**

4. Upon receipt of any medical records, Sendero will promptly perform the Retrospective Medical Necessity Review.

C. Continuation of exemption

1. Through the Retrospective Medical Necessity Reviews, if Sendero determines that 90% or more of the claims for a particular service met the medical necessity criteria the exemption will remain for the service identified in the initial exemption notice.

D. Rescinding an exemption

1. Preauthorization exemption(s) will be rescinded in the following circumstances:
 - a. The semi-annual Retrospective Medical Necessity Review finds less than 90% of the claims for a particular service met the medical necessity criteria.
 - b. The provider fails to supply the requested records for the Retrospective Medical Necessity Review within the requested 30 calendar days.
2. Sendero will notify providers of rescinded exemptions, using a *Notice of Rescission of Preauthorization Exemption* sent via each Provider’s preferred exemption communication method.
3. The exemption will remain in place until 30 days Sendero notifies the provider about the rescission.

Independent Review of Exemption Determination

A. A provider may appeal the rescission decision by

1. Completing the “*Request for a Review by an IRO*” form contained within the Rescission Notice and faxing it to Sendero at (512) 901-9724 to ask Sendero for an expedited review of the decision by an IRO.
2. If the appealed rescission was based on failure to send medical records for the retrospective review, the appealing provider must include the medical records with the appeal.

B. Upon receipt of an IRO appeal request, Sendero will send the records to TDI, except that in the case of rescissions caused by lack of records, Sendero may choose to review records submitted with an appeal internally. For appeals forwarded from Sendero to TDI, TDI will assign the case to an IRO. The IRO must make a determination within 30 days after the physician or provider files the appeal. Sendero



will notify the Provider of the IRO appeal outcome within 5 days of receipt of the determination from TDI.

Preauthorization Requests for Exempt Services

- A. Any preauthorization requests from a requesting (ordering) Provider for which the Provider is exempt at the time of request will not be processed by Sendero.

Other Information

- A. As required by 28 TAC §19.1731 claims from treating physicians or providers must include the name and NPI of the ordering physician or provider on the claim in fields 17 and 17B of CMS Form 1500, or in fields 76-79, or another appropriate field in Form UB-04 or in the corresponding fields for electronic claims using the ASC X12N 837 format. Without this ordering provider information on the claim, Sendero is unable to waive the preauthorization requirement for the service. This means the claim will deny of there is not a medical necessity approval preauthorization in place. (see also TAC 21.2803 “Elements of a Clean Claim”).
- B. Preauthorization requests for post-acute care must include the name and NPI of the treating provider from the referring facility who is making the decision that post-acute care is needed and requesting the preauthorization.

Attachments: *(List of any attached forms and information related to this policy)*

TDI Rescission Notice

Definitions: *(List of any important terms and definitions related to this policy)*

“Preauthorization exemption” means that a physician or provider who has been notified by Sendero of a preauthorization exemption for a specific healthcare service (e.g., service code or drug) is not-required to obtain a preauthorization for that health care service for members in the health benefit plan specified on the exemption notice.

Policy History: *(List of dates and major changes to this document)*

2022-10 New policy

Approval Signature(s):

Director, Health Services

Date

Medical Director

Date