Partnering With Your Local Insurance Companies for Reimbursement Process Improvement

The Children's Mercy Hospital
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The Problem

- Hospital getting an increasing higher volume of *denials* for Speech Therapy Services
- Staff spending valuable time appealing denials that were usually denied
- Families angry the coverage was denied and not understanding benefit exclusions
- Some families blamed staff for not "writing the report right"

- Often denial came while child was on the waiting list causing family distress
- Staff did not understand reason for denials
- Multiple Benefit designs made internal processes difficult to standardized

Finding a Solution

- Decided to engage the services of a consultant to help us
- The consultant, Kathy Revell, RN, MS, CPHQ:
  - Interviewed Clinic Staff and appropriate others to identify issues/concerns, primary payers, etc
  - Researched and evaluated primary payers' certification/licensure to identify expected standards (i.e. URAC, NCQA)

Reviewed benefit designs and exclusions by payer for speech and hearing services

Reviewed and analyzed denials and approvals in past year by payer by performing chart audit of 15% all cases

Reviewed and analyzed current appeals process

Findings

- Three payers made up 70% of patients that required Preauthorization for treatment
- 68% of all authorization requests to these three resulted in the care *not being authorized*
- Most health plans didn't require authorization for the evaluation visit (s)
- The denials were ALL benefit exclusions with the majority being denied for "developmental delay" issues

- Only 20% of appeals were won and this was because a medical necessity issue was missed by the reviewer
- The Clinical Staff when interviewed reported:
  - They would like to know how many visits were authorized
  - They would like to know what the different companies benefit exclusion were
  - They would like assistance in how to communicate with parents regarding a potential denial
  - They would like to have a template for denial letters

- Initial Denial rate was seven times higher than denials for recertification
- PPO and Self-Insured plans usually had a visit cap per year and more lenient or no authorization process
- Therapy post cleft palate repair was always approved
- Examples of Benefit Exclusions and Designs:
  - "Behavior problems, Attention Deficit Disorder, **stammering, stuttering,** conceptual handicap, mental retardation, autism, psychological speech delay, temporary conductive hearing loss (e.g. chronic otitis media), learning disabilities, developmental delays."

- "Speech therapy services are considered medically necessary for the treatment of communication impairment or swallowing disorders **when the underlying cause is disease, trauma, congenital anomalies, facial-oral corrective surgery, or ongoing compromise secondary to congenital anomaly."**

Thus, if there is co-occurring medical condition the probability of insurance approval is higher.

- In most HMO speech therapy coverage is for short-term therapy with expected improvement

"{Coverage is provided for short-term outpatient therapy services that are expected to result in significant functional improvement of the Member's condition, limited to physical therapy, occupational therapy, speech therapy for loss or impairment of speech and hearing. The phrase "loss or impairment of speech and hearing" shall include those communicative disorders generally treated by a speech pathologist, audiologist or speech/language pathologist licensed by the state board of healing arts or certified by the American Speech-Language and Hearing Associations, or both and which fall within the scope of his/her license or certification. Outpatient therapy services must by performed by Participating Provider and Authorized in advance by the Plan.}"

Initiating the Change

- Meet or had phone conferences with the major health plans and set-up more efficient authorization and review processes with them including cases in the "grey areas"
- Stopped appealing benefit exclusions unless it was felt there was a medical necessity co-occurring issue

- Began to look for the other medical issues
- Used the ANSER system (epsbooks.com)
  - Provides early screening for other conditions that may be present
  - Parent fills out before first visit
  - Systematic review of health, conditions co-occurring with speech problems
- Began more aggressively questioning parents about potential co-occurring medical disorders
- Improved documentation about medical disorders in history and assessment

- Did chart audit of 40 random charts and discovered 75% had speech related issues co-occurring with articulation disorder
  - Enlarged tonsils
  - GERD
  - Feeding difficulties
  - Respiratory concerns, RAD
  - Asthma and allergies
  - Sleep Disturbance
  - Chronic sucking, thumb, pacifier

- Parents were informed at the assessment visit of a potential denial for benefit exclusion that would not be appealed
- Parent directed early to Hospital financial counseling
- Hospital financial counseling designated staff for H&S clinic for coordination with our clinic for other funding sources
- Developed a discounted cash payment option so therapy became more affordable for families with benefit exclusions(28% discount)
- Financial arrangements completed prior to therapy to reduce stress on family
- Provided the ASHA notebook information about lobbying to get the benefit added to their employers insurance plan

- Had seminars for all staff on consultant's findings, provided education on benefit exclusions, how to document co-occurring medical issues with a results orientation, and reality based request for number of visits
- Updated the clinic Policy and Procedure Manual at all locations and trained staff on the changes
- Kept hospital management updated on changes and their impact

Outcomes

Measurements still being collected

Preliminary results:

- 80% of the staff report satisfaction with changes
- Much less clinical and administrative time being wasted on insurance processes
- Staff more aware of realities of coverage and improved ability to communicate with parents regarding benefit exclusions
- Significantly improved coordination with the hospital business office

- Staff more aware of co-occurring medical issues
- Documentation improved with focus on patient improvement and results
- Most important families retained in therapy process as stress of financial concern addressed early

The Future

- Survival of a Pediatric Medical Clinic
  - Mix of services, medical and non-medical
  - Awareness of time-limited therapy approaches
  - Development of cash discounted programs
  - Constant review of the market
- Diligently continue to collect and analyze outcome data to validate the importance of early speech therapy intervention in children

Parents

- Provided with ASHA notebook information about adding the benefit to their HR plan.
- Educated to make a decision regarding the payment method shortly following the evaluation.

Tipping Point to Cover Insurance Malcolm Gladwell

- Change may occur when a significant mass of consumers demands a pediatric speech benefit.
- We do not understand the factors that will lead parents to demand the benefit. The availability of services through early intervention and schools may leave only a small population of families seeking the medical benefit.
- Change must come from the bottom up as there is no interest from the top down. It must include parents of healthy children.

Thanks

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QUESTIONS?