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North Sound Behavioral Health Organization
Section 5500 – Quality Management: Utilization Management of Outpatient Services

Authorizing Source: PIHP and SMHC Contracts; Provider Contracts; 42 CFR 438

Cancels:

See Also:

Providers must comply with this policy and may develop individualized implementation guidelines as needed

Responsible Staff: Quality Manager

Approved by: Executive Director

Signature:

Date: 7/12/2017

POLICY #5501.00

SUBJECT: UTILIZATION MANAGEMENT OF OUTPATIENT SERVICES

PURPOSE

To define utilization management processes and requirements for North Sound Behavioral Health Organization (BHO) and its contractors. To describe the variety of mechanisms used to monitor and identify over- and under-utilization of resources and implement remedial action when indicated.

DEFINITIONS

Utilization Management (UM) is a Quality Management (QM) process that addresses appropriateness of services, i.e., is the individual receiving what they need, when they need it and not receiving what they do not need when they do not need it.

Prospective utilization review – Review which occurs before care is delivered. Prospective review focuses on eligibility and medical necessity screening prior to the provision of requested services. This type of review also allows for referral to possible alternative services as appropriate.

Concurrent utilization review – Review of an individual’s care during an episode of care. Concurrent review focuses on the efficient allocation of appropriate, medically necessary resources during an episode of care. Concurrent review helps to determine whether delivery options for the most appropriate, medically necessary care are available, and whether individuals are improving as a result of the treatment being delivered.

Retrospective utilization review – Review which occurs after an episode of care has ended. Retrospective review focuses on the efficient allocation of appropriate, medically necessary resources during an episode of care. Retrospective review also evaluates appropriate discharge planning to include timely discharge from services.

POLICY

Utilization Management of behavioral health services will be conducted in a systematic manner by qualified staff to ensure the appropriateness and quality of access to and delivery of behavioral health services to eligible residents of the North Sound region. North Sound BHO shall ensure all utilization management activities are structured to not provide incentives for any individual or entity to deny, limit, or discontinue medically necessary behavioral health services to any individual.

North Sound BHO may specify what constitutes medical necessity in a manner that is no more restrictive than the State Medicaid program. For the purpose of utilization management, North Sound BHO may place appropriate limits on a behavioral health service based on criteria applied under the State plan, such as medical necessity, provided the behavioral health services furnished could reasonably be expected to achieve their purpose.

North Sound BHO reviews all treatment records in accordance with state and federal law. Substance use disorder records are reviewed in accordance with 42 CFR §2.53. Reviewers do not copy or remove any treatment records during a review.

North Sound BHO employs a variety of tool and review activities for utilization management including:

I. Tools

A. Access to Care Standards

Access to Care Standards are eligibility standards developed by the State to assist in consistent access to services statewide. Refer to North Sound BHO Policy 1505, Authorization for Ongoing Services for additional information about the application of Access to Care Standards.

B. Level of Care Guidelines

North Sound BHO utilizes LOCUS (Level of Care Utilization System) and CALOCUS (Child & Adolescent Level of Care Utilization System) for mental health services. The CANS (Child and Adolescent Needs and Strengths) is a tool used specifically to determine eligibility for WISE. For substance use services, the ASAM (American Academy of Addiction Medicine) criteria are utilized for level of care. North Sound BHO has utilization management guidelines that identify the type and intensity of services associated with each level of care. For additional detail about the use of these tools in the North Sound region, refer to North Sound BHO Policy 1565 Level of Care Guidelines and Policy 1586 the Division of Behavioral Health and Recovery WISE manual.

II. Prospective Review - North Sound BHO, or its designee, conducts several prospective reviews for the authorization of outpatient and residential behavioral health services and inpatient mental health services. The criteria applied in the prospective utilization review process are outlined in the policies for specific services and programs:

- A. Policy 1505 – Authorization for Ongoing Outpatient Services
- B. Policy 1532 – Mental Health Services in a Residential Setting
- C. Policy 1563 – Program of Assertive Community Treatment (PACT)
- D. Policy 1567 – Intensive Outpatient Program for Adults (IOP)
- E. Policy 1568 – Wraparound with Intensive Services (WISE)
- F. Policy 1571 – Psychiatric Inpatient Authorization

III. Concurrent Review

- A. A large part of the UM process includes quality chart review, referred to in the North Sound Region as Utilization Review (UR). Each year North Sound BHO Quality Specialists (QS) conduct UR on records at all Behavioral Health Agencies (BHA) with whom the BHO has contracted to provide outpatient services.
- B. There are 3 types of UR: "Routine UR," "Follow-up UR," and "Focused UR."
 - 1. Routine (or "full") UR involve chart reviews where individual's record is reviewed against a battery of standards derived from WAC, RFC, DBHR Contract requirements, as well as policies & procedures that have been generated from past RSN/BHO Quality Improvement activities (See APPENDIX I). A number of these standards related specifically to the appropriate utilization of services.
 - 2. Follow-up UR involve reviews that follow-up on standards which were found to be in less than 90% compliance for an individual BHA during the previous Routine UR.
 - 3. Focused UR address a specific aspect of care or a type of program. These reviews are also conducted at the same provider sites, but require a special selection of records based on the aspect of care or special type of program of interest. All focused URs pertaining to specific programs include standards related specifically to the appropriate utilization of services.

IV. Retrospective UR

Retrospective reviews are conducted bi-annually, on odd numbered years, in the form of a Focused UR that evaluate the discharge planning aspect of care.

PROCEDURE

I. Prospective Review

- A. Authorization and Denial Reports

At least semi-annually, North Sound BHO shall generate and review authorization and denial data for routine outpatient, intensive outpatient, residential, and inpatient psychiatric services. For an annual period where the agreement rate is less than 90% between North Sound BHO and the BHA or its Inpatient Utilization Management delegate, remedial action shall be applied. North Sound BHO shall monitor progress via quarterly data reports to determine if continued remedial action is needed.
- B. Level of Care Reports
 - 1. At least semi-annually, North Sound BHO shall generate and review reports, for the region and each BHA, related to Level of Care including:
 - a. Number of individuals in each Level of Care; and
 - b. Average hours of service delivered by Level of Care.

2. For average hours of service delivered, BHA data that is more than one standard deviation from regional data in each level of care shall result in remedial action.

North Sound BHO shall monitor progress via the semi-annual data report to determine if continued remedial action is needed.

3. North Sound BHO also utilizes Level of Care data to inform decisions related to sufficient capacity to deliver appropriate type and intensity of services.

II. Concurrent & Retrospective Review

- A. Routine UR: Refer to APPENDIX I: Current Paperless UR Flowchart in: <http://www.northsoundbho.org/Forms/Default>
- B. Follow-Up UR: Refer to APPENDIX I: Current Paperless UR Flowchart in: <http://www.northsoundbho.org/Forms/Default>
- C. Focused UR: refer to APPENDIX I: Current Paperless UR Flowchart in: <http://www.northsoundbho.org/Forms/Default>

- III. **Remedial Actions** – remedial actions are applied in the circumstances described above, and in Appendix I. Additionally, the results of all reviews are evaluated by the Internal Quality Management Committee (IQMC), who may pursue additional action (including, but not limited to: issuing a remedial action) when quality issues are identified. Remedial actions related to over and under-utilization will be carried out in accordance with the process developed by the IQMC.

ATTACHMENTS

None