Tip Sheet

8 Tips for Building Competitive Resilience with Stronger Utilization Management

The stronger your utilization management program, the more your health plan, providers and members save time, frustration and money. Here are eight tips to reduce UM costs and streamline workflows to build competitive resilience.

1. Streamline manual workflows with advanced auto-approval rules.

When you can speed response times and reduce administrative costs on everything from prior authorization to claims inquiries and appeals, everyone benefits. This isn't just about automating tedious, low-ROI tasks to improve throughput and turnaround times; it's about enabling staff to focus on the most complex requests that require clinical judgment and decision-making. The cost-savings with automation can be dramatic. The CAQH 2020 Index projects that:

- Every claims status inquiry that is fully automated saves $11.71 per transaction
- Every eligibility and benefit verification converted from manual to electronic saves $8.64
- Every prior authorization converted from manual to electronic saves $9.64 [1]

2. Help your members understand prior authorization and in-network benefits.

Members may have preconceived notions that prior authorization and staying in network is just about saving the health plan money. Use communications to change perceptions and improve member satisfaction by helping them understand how prior authorization protects them and staying in network helps reduce their out-of-pocket expenses.

3. Automate the prior authorization approval process wherever possible.

Identify which procedures and requests are rarely denied and establish auto approvals for those types of requests. If a treatment plan is tricky or it's unclear if it's necessary, it will get a review. But if it's a procedure with a high approval rating or a service that has very specific clinical criteria that must be met and the criteria have been met, consider making it part of the auto approval process.

4. Make the process of approvals easier on clinicians.

Determine if there's a better way to align and coordinate utilization management professionals and decision-making processes. In the webinar Advancing Utilization Management Performance, Sarah Dencker, MSN, RN, VP Care Services of Network Health shared the example of holding an MD verbal review two times per day where MDs can approve requests and a nurse can finish out the cases. She also recommended ensuring there is adequate coverage on weekends and holidays to handle prior authorizations and meet timeliness requirements.

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5. Be completely transparent with providers.

In a survey by the American Medical Association, 67 percent of physicians said it is difficult to determine whether a prescription or medical service requires prior authorization.[2] Let providers know exactly what you need to meet prior authorization. Being clear from the beginning has the added benefit of reducing the amount of administrative time wasted in reaching out for missing or incomplete clinical documentation.

6. Ensure members get the right treatment for the right cost without delay.

CMS Star ratings are getting more difficult to attain and improve, and the patient experience score is getting more heavily weighted in the results. For Medicare Advantage Plans in particular, CMS will look very carefully at how well prior authorizations are handled. Everything you and the providers in your network do to decrease perceived delays in care and authorization can help improve customer satisfaction and ultimately impact Star ratings and CAHPS survey results. Proactively improving prior authorization processes can create a competitive advantage. So can conducting regular competitive analysis to know how your prior authorization processes compare to others.

7. Combat patient leakage with better information.

In a 2018 survey of 104 healthcare leaders (primarily C-suite executives at hospitals and health systems), 43 percent of respondents estimated their organization loses more than 10 percent of revenue to patient leakage. According to the corresponding report, "Executives believe that a variety of factors cause leakage—from physicians' personal relationships to patient choice. Most of these can be addressed when physicians and patients receive good data on cost and quality."[3]

8. Recognize the value of using an integrated technology solution.

Look for one that helps you streamline utilization management and:

- Is easily configurable to your needs
- Introduces auto approval rules to improve throughput and turnaround times
- Features automatic alerting for out-of-network providers to minimize network leakage
- Highlights key metrics to help you proactively manage CMS and NCQA compliance

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1. 2020 CAQH Index: Closing the Gap: The Industry Continues to Improve, but Opportunities for Automation Remain, CAQH, 2021.
2. Web-based Prior Authorization Survey, American Medical Association, December 2019.
3. Patient Leakage: A new survey highlights high costs, limited control, Fibroblast and Sage Growth Partners, October 2018.

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