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The Prior Authorization Waiver in the VMNG ACO Program – past, present, and future

November 26, 2018

Prior Authorization Waiver for the ACO: Why?

- In 2017, DVHA signed a one-year Medicaid Next Generation ACO pilot contract with OneCare Vermont
- The program stipulates that DVHA will pay OneCare an All Inclusive Population Based Payment (AIPBP) for its attributed members to cover the cost of medical care by its provider network
- Because the ACO assumes financial risk for all services included in the Total Cost of Care, DVHA agreed to waive prior authorization for those services for attributed members, which:
  - Reduces administrative burden on provider practices
  - Empowers providers to follow best practices and determine appropriate care for their patients

Prior Authorization Waiver in 2017

- Year 1 of the ACO contract
- Narrowest interpretation of the ACO Prior Authorization Waiver
- Waiver follows the *program* and must meet the following criteria for prior authorization to be waived:
  - Provider must be participating in the ACO
  - Member must be attributed to the ACO
  - Service must be one for which the ACO is accountable (included in the ACO's Total Cost of Care)

Prior Authorization Waiver in 2018

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- Year 2 of the ACO contract
- Broadens criteria for Prior Authorization Waiver
- Waiver follows the *member* and must meet the following criteria for prior authorization to be waived:
  - Member must be attributed to the ACO
  - Service must be one for which the ACO is accountable (included in the ACO's Total Cost of Care)

- Waiver now extends to any provider enrolled in Vermont Medicaid for ACO-attributed members and ACO-covered services, regardless of that provider's relationship to OneCare Vermont

Prior Authorization: Patient Care & Safety

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- During the course of implementing the Vermont Medicaid Next Generation ACO program in 2018, DVHA and OneCare have sought to improve this aspect of the program.
- DVHA and OneCare have refined the waiver, making a distinction between prior authorizations requests based on clinical judgment and those used for reasons related to patient care and safety.
- Though prior authorization is waived for the vast majority of ACO-covered services, DVHA retains responsibility for the care and safety of its entire membership, and will remain responsible for clinically reviewing prior authorization requests for a subset of services (mainly Durable Medical Equipment) that have been identified as having the potential to cause harm to members if prescribed or used incorrectly; this responsibility applies to *all of its members*, regardless of ACO-attribution status.
- DVHA will make further refinements to its claims-processing system to adjust for changes to the prior authorization waiver through the life of the VMNG program.

Prior Authorization Waiver: 2019 and beyond

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- Actively negotiating Year 3 of the ACO contract
- 2018 Prior Authorization Waiver will continue
- Piloting broader waiver for sub-set of practices:
  - Waiver in pilot will follow the *practice,* and must meet the following criteria for prior authorization to be waived:
    - Referring provider must be in an ACO-participating practice
    - Service must be one for which the ACO is accountable (included in the ACO’s Total Cost of Care)
  - Waiver will apply to a primary care provider’s entire Medicaid patient panel, regardless of ACO attribution status
- Further reduces administrative burden for providers by implementing uniform rules around prior authorization for their entire panel
- Practice-based prior authorization waiver may be expanded from pilot sites to entire ACO network in future years

VMNG Prior Authorization Waiver Timeline

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2017

- ✓Attributed Member
- ✓Participating Provider
- ✓TCOC Service

2018

- ✓Attributed Member
- ✓TCOC Service

2019

- ✓Attributed Member
- ✓TCOC Service

and piloting

- ✓Participating Provider
- ✓TCOC Service
- ✓Any Medicaid Member

Future Direction

- ✓Participating Provider
- ✓Any Medicaid Member
- ✓Any Medicaid Service