THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development
DIVISION OF INSURANCE

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Order R20-17

Order to Insurers Offering Health Care Plans to Remove Restrictions on Access to Health Care Services

All insurers licensed in the state of Alaska or issuing insurance in the State of Alaska, insurance industry representatives and other interested parties are encouraged to review the latest information about COVID-19 released by the Alaska Department of Health and Social Services at: http://dhss.alaska.gov/dph/Epi/id/Pages/COVID-19/default.aspx.

BACKGROUND
On November 16, 2020, Governor Mike Dunleavy issued a public health disaster emergency order and extended that order on December 16, 2020. This order was made to protect Alaskans from the adverse effects of COVID-19. Due to the Governor's declaration and pursuant to AS 21.06.080(d), the director finds that emergency measures are needed to ensure Alaskans maintain their insurance coverage while allowing insurers increased flexibility.

FINDINGS
Due to the increased demand for inpatient and outpatient services for COVID-19 patients, many health care providers are shifting staff resources from administrative functions to direct patient care. In addition, Alaska is experiencing an acceleration of COVID-19 infections and hospitalizations. Insurers in Alaska are generally permitted to require preauthorization for health care services, other than emergency services. However, due to COVID-19, health care providers may lack the resources for staff to respond to utilization review requests for preauthorization while responding to the surge in patients.

Currently, insurers are permitted review services concurrently for medical necessity and to make determinations involving continued or extended health care services or additional services for an insured undergoing a course of continued treatment prescribed by a health care provider. This review is known as concurrent review. Health care providers may lack the resources for staff to respond to utilization review requests for concurrent review while responding to the surge in patients due to COVID-19.

Insurers may retrospectively review services for medical necessity and must make a determination involving health care services that have been delivered within a reasonable time but not later than 30 days after receiving a benefit request. This review is known as retrospective review. Health care providers may lack the resources for staff to respond to utilization review requests for retrospective review while responding to the surge in patients due to COVID-19.

It may become necessary for alternate sites to be opened to handle overcrowding in health care facilities. Health insurance contracts and clinical guidelines directing those contracts may contain government facility exclusions or requirements for facilities to hold specific licenses.

THE DIRECTOR HEREBY ORDERS:

1. **Suspension of Preauthorization Requirements for Medical Services**

The Division of Insurance is ordering insurers to suspend preauthorization review for inpatient and outpatient services for the duration of the COVID-19 pandemic as determined by the Chief Medical Officer of the State of Alaska. However, all health care providers should use their best efforts to provide notice to the insurer as soon as reasonably possible, including information necessary for an insurer to assist in coordinating care and discharge planning.

2. **Suspension of Concurrent Review for Inpatient Hospital Services**

Insurers shall suspend concurrent review for inpatient hospital services provided.

3. **Suspension of Retrospective Review for Inpatient and Outpatient Services and Emergency Services and Payment of Claims**

The division is ordering insurers to suspend retrospective review for inpatient and outpatient services and emergency services. Insurers shall pay claims that are otherwise eligible for payment without first reviewing the claims for medical necessity.

Insurers may request information to perform a retrospective review, reconcile claims, and make any payment adjustments after January 1, 2021, subject to further evaluation as the COVID-19 situation develops. If health care provider accepts payment for such claims, it should not enforce any contractual limitations regarding the permissibility of retrospective review or overpayment recovery. The timeframes for insurers to conduct a retrospective review or overpayment recovery shall be extended for 60 days once retrospective review is resumed. Upon the resumption of retrospective review, insurers shall take into consideration the circumstances involving the COVID-19 pandemic when reviewing such claims.

4. **Suspension of Preauthorization Requirements for Post-Acute Placements**

This suspension includes but is not limited to skilled nursing facilities, home health, acute rehabilitation, and long-term acute care. As previously stated, insurers are permitted to require preauthorization for health care services other than emergency services. To permit health care providers to discharge patients to lower levels of care when medically appropriate, insurers shall suspend preauthorization requirements for post-acute placements, including but not limited to, skilled nursing facilities, home health care services, acute rehabilitation services, and long-term acute care hospitals, following an inpatient health care facility admission. Insurers may review post-acute placements for medical necessity concurrently or retrospectively.

Insurers should keep in mind applicable regulations requiring a plan of care for home health care services be established and approved in writing by a physician. This requirement remains unchanged by this Order, except to the extent that the State of Alaska has permitted telehealth and verbal orders to suffice for this requirement for the duration of the COVID-19 emergency. Furthermore, insurers shall provide health care providers with an up-to-date list of all network rehabilitation facilities, long-term acute care hospitals, and skilled nursing facilities to facilitate such discharges. Health care providers should use their best efforts to transfer insureds to

network providers. An insurer may require the rehabilitation facility, skilled nursing facility, or long-term acute care hospital to provide notification of the admission to the insurer.

The purpose of this provision is to enable health care providers to readily discharge patients to lower levels of care when medically appropriate. Under normal circumstances it may take up to seven days for hospitals to receive authorization to move a patient to the next level of care. This puts the patients at risk and hinders a hospital's ability to efficiently discharge patients to make space available for COVID-19 and other patients in need of care.

5. Waiver of Credentialing by Location for Payers

The division orders insurers to waive any requirements for location-based credentialing. This will allow providers to see patients in a variety of locations.

6. Immediate Payment of Claims and Audits of Hospital Payments and Overpayment Recovery

Insurers shall pay claims as soon as possible. The division understands that the COVID-19 emergency has put a great strain on insurers and providers, but insurers should do whatever possible to assist with the timely payment of claims. By doing so, hospitals and health care providers can avoid the administrative burdens of repeated follow-ups with insurers.

Insurers typically audit payments to hospitals and providers to ensure that such payments were proper. During the state of emergency for COVID-19, insurers shall suspend non-essential audits of hospital and provider payments. Insurers should toll time limits on overpayment recovery in, or any other agreed upon time limit between the hospital or provider and insurers during the suspension.

7. Government Facilities

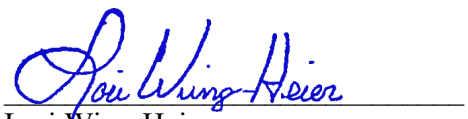
This Order requires that insurers pay claims for covered services when consumers are billed for services located at, sponsored by, or facilitated by the local, state, or federal government during this pandemic until such alternate sites are closed.

8. Claim Submissions and Appeals

Insurers shall suspend deadlines for claim filing and appeals. This is necessary due to staffing challenges in doctor's offices, clinics and hospitals during the Alaska public health disaster emergency. Following the end of the emergency, there may also be a backlog of insurance claims to be filed and these claims must also be extended.

For additional guidance, insurers may review Bulletin B20-12 and Order R20-13 that are available on the division's website.

This order is effective December 16, 2020. It shall expire January 15, 2021 or when the Governor determines the public health disaster emergency no longer exists.



Lori Wing-Heier
Director