THE STATE of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

DIVISION OF INSURANCE
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BULLETIN 20-12

TO: ALL INSURERS AUTHORIZED TO TRANSACT HEALTH INSURANCE IN THE STATE OF ALASKA, REGISTERED THIRD-PARTY ADMINISTRATORS, AND OTHER INTERESTED PARTIES

RE: TEMPORARY SUSPENSION OF CERTAIN UTILIZATION REVIEW AND NOTIFICATION REQUIREMENTS

All health insurers, 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/Human-Coronavirus.aspx.

On March 11, 2020, Governor Mike Dunleavy issued a public health disaster emergency order. This order was made to protect Alaskans from the adverse effects of COVID-19. The Division of Insurance continues to monitor the COVID-19 pandemic and has determined that additional guidance is necessary for insurers in some areas.

As hospitals plan for high demand of inpatient hospital services and deploy staff to provide direct patient care, their ability to perform certain administrative functions will be impacted. Moreover, with many hospitals delaying or suspending scheduled procedures, the need for certain administrative functions is diminished. The purpose of this bulletin is to advise insurers authorized to write health insurance in this state, and registered third-party administrators, that certain utilization review and notification requirements should be suspended until June 1, 2020, subject to further evaluation as the COVID-19 situation develops.

Government Facilities
It may become necessary for alternate sites to be opened to handle hospital overcrowding. Health insurance contracts and clinical guidelines directing those contracts may contain government facility exclusions or requirements for facilities to hold specific licenses. This Bulletin 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.

Suspension of Preauthorization Requirements
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. 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. Therefore, the Division of Insurance is advising insurers that they should 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.

Suspension of Concurrent Review for Inpatient Hospital Services
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. Hospitals 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. Therefore, the division is advising insurers that they should suspend concurrent review for inpatient hospital services provided.

Suspension of Retrospective Review for Inpatient and Outpatient Services and Emergency Services and Payment of Claims
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. Therefore, the division is advising insurers that they should suspend retrospective review for inpatient and outpatient services and emergency services. Insurers should 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 June 1, 2020, 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 should be extended for 60 days once retrospective review is resumed. Upon the resumption of retrospective review, insurers should take into consideration the circumstances involving the COVID-19 pandemic when reviewing such claims.

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 hospitals to discharge patients to lower levels of care when medically appropriate, the division is advising insurers that they should 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 hospital 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 guidance, 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 should provide hospitals with an up-to-date list of all network rehabilitation facilities, long-term acute care hospitals, and skilled nursing facilities to facilitate such discharges. Hospitals 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 hospitals 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.

Waiver of credentialing by location for payers

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

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

The division urges insurers to 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 can avoid the administrative burdens of repeated follow-ups with insurers.

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

Applicability to Third-Party Administrators of Self-Funded Plans

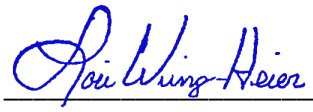
Adherence to this Bulletin is essential to ensure that hospitals are able to direct resources to patient care to handle increases in patient volume due to the COVID-19 emergency. Third-party administrators, which are registered by the Division, are strongly encouraged to apply the provisions of this Bulletin to their administrative services agreements with self-funded plans.

Conclusion

Due to the evolving nature of the COVID-19 outbreak, the recommendations are subject to change. Insurers are advised to verify best practices in accordance with the Centers for Disease Control and Prevention (CDC). The requirements of this bulletin related to utilization review are in effect until June 1, 2020, unless otherwise updated.

If you have any questions relating to this bulletin, please contact Sarah Bailey, Life and Health Section Supervisor at sarah.bailey@alaska.gov.

Dated this 29th day of March 2020, at Anchorage, Alaska.



Lori Wing-Heier
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