Utilization Management FAQ

1. What is Utilization Management (UM)? Utilization Management (UM) refers to the process of evaluating and managing healthcare services to ensure appropriate, efficient, and cost-effective use of resources. It involves various techniques such as prior authorization, concurrent review, and retrospective review to assess the medical necessity and appropriateness of healthcare services.

2. Why is Utilization Management important? UM helps to ensure that patients receive the right care, at the right time, and in the right setting. It also helps control healthcare costs by preventing unnecessary services and reducing overutilization.

3. What are some common UM techniques? Common UM techniques include prior authorization, concurrent review, retrospective review, case management, and utilization review.

4. What are ICD-10 codes, CPT codes, HCPCS codes, Guideline Notes?

- **ICD-10 codes**: International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) codes are alphanumeric codes used to classify and code diagnoses, symptoms, and procedures associated with hospital care.
- **CPT codes**: Current Procedural Terminology (CPT) codes are numeric codes used to describe medical, surgical, and diagnostic services provided by healthcare providers.
- **HCPCS codes**: Healthcare Common Procedure Coding System (HCPCS) codes are alphanumeric codes used primarily to identify products, supplies, and services not included in the CPT codes, such as durable medical equipment, prosthetics, ambulance services, and certain drugs.
- **Guideline Notes**: Guideline notes often outline the criteria that must be met for services, procedures, or treatments to be covered by the Oregon Health Plan. This may include medical necessity requirements, specific diagnosis codes (ICD-10), and procedure codes (CPT or HCPCS) that are eligible for reimbursement. https://www.oregon.gov/oha/HPA/DSI-HERC/Pages/Searchable-List.aspx

5. How are ICD-10, CPT, HCPCS codes, Guideline Notes, and Line Finder used in Utilization Management? The codes are used in UM for billing, documentation, and tracking purposes. They help identify specific diagnoses, procedures, and services provided to patients, which are then used to determine medical necessity and appropriateness of care. Guideline notes are developed by HERC and contain criteria that must be met for services to be covered by OHP. Line Finder provides the information of where a particular diagnosis is on OHP funding status. ATL=Funded, BTL=Not funded. Non funded does not necessarily = not covered, as each case is weighed independently considering multiple member related factors.

6. How do I obtain prior authorization for a procedure or service? Healthcare providers must submit a request for prior authorization along with relevant clinical documentation, including ICD-10, CPT, or HCPCS codes, to the member's insurance provider. The insurance provider will then review the request to determine if the requested service is medically necessary and appropriate.

7. What happens during a concurrent review? Concurrent review occurs while a patient is receiving healthcare services. Utilization review staff assess the patient's ongoing care, including the medical necessity and appropriateness of services being provided. ICD-10, CPT, and HCPCS codes may be used to document the services being rendered and to track the patient's progress.

8. What is retrospective review? Retrospective review involves evaluating healthcare services after they have been provided. This review looks at the medical necessity and appropriateness of services retrospectively, based on the patient's medical records and documentation. ICD-10, CPT, and HCPCS codes are used to identify and classify the services rendered.

9. How can healthcare providers ensure compliance with UM requirements? Healthcare providers should stay informed about UM policies and procedures established by insurance companies and healthcare plans. This includes understanding prior authorization requirements, documentation guidelines, and coding practices. Proper documentation of medical necessity and appropriate use of ICD-10, CPT, and HCPCS codes are essential for compliance.

10. Where can I find more information about Utilization Management? Additional information about Utilization Management can be obtained from healthcare organizations, insurance providers, professional associations, and regulatory agencies. These sources can provide guidance on UM policies, procedures, and best practices.