Private Duty Nursing (PDN) Prior Authorization Request (PAR) Report

Pursuant to Budget Amendment (BA) - 20 Clinical Navigation Services

June 15, 2023

Submitted to: The Senate Health and Human Services Committee, House Health and Insurance Committee, House Public Health Care and Human Services Committee, & The Joint Budget Committee

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Department of Health Care Policy & Financing

Contents

A. Report Background 3
B. Private Duty Nursing (PDN) Benefit Overview 3
1. PDN Prior Authorization Request (PAR) Overview 4
2. PDN PAR Background 5
3. PDN Current Processes 7
C. HCPF and RAE Collaboration 7
D. PDN Future State 8
4. Clinical Navigation Services 8
5. Home Health and PDN Acuity Tool 9
E. Wrap Around Services 9
F. PDN PAR Data 11
G. Next Steps 12

A. Report Background

The Department requested funding through Budget Amendment (BA) – 20 Clinical Navigation Services, to implement clinical navigation services for a subset of pediatric members with medically complex needs utilizing Private Duty Nursing (PDN) to ensure these members are accessing the most appropriate level of care while reducing inappropriate utilization[1].

This report responds to the request for information from the Joint Budget Committee (JBC) because of BA-20 Clinical Navigation Services. It discusses the PDN benefit, the fee for service (FFS) utilization management (UM) program, PDN prior authorization request (PAR) data, PDN provider outreach and education, Regional Accountability Entity (RAE) collaboration, and wraparound services for members accessing PDN and other necessary services.

The Department has made many improvements to its FFS UM program over the past two years in partnership with Kepro, our contracted UM services vendor. Together, we have been particularly attentive to the challenges related to PDN services. Based on stakeholder feedback, we developed a phased implementation to address provider burden, then paused that implementation and offered targeted individualized training to agencies in addition to extra nursing review, feedback and provider support - even in the absence of the newly authorized staffing.

Private Duty Nursing has specific benefit definitions, regulations and medical necessity criteria, which have proved challenging for providers and members. The Department believes that its new Clinical Navigation FTEs, in conjunction with RAE support, collaboration and a holistic view of available services offered in a variety of benefits will offer the most person-centered approach to meet the needs of Health First Colorado members and providers. Ultimately, our clinical and UM programs are dedicated to ensuring medically necessary and appropriate services are available to members at the right place, the right time, and at the right price. This and future iterations of this report are intended to demonstrate this commitment.

B. Private Duty Nursing (PDN) Benefit Overview

Private Duty Nursing (PDN) is a benefit for Health First Colorado members to receive face-to-face skilled nursing that is more individualized and continuous than nursing care that is available under the home health benefit or routinely provided in a hospital or nursing facility. This service is ordered by the authorized primary care provider and a plan of care is developed and carried out by the home health agency.

The PDN program provides community-based alternatives to institutional care for members who have complex medical needs and require skilled nursing care on a continuous and daily basis. Additionally, the program is designed to support members and their families who must assume a portion of the member's care.

[1] Health Care Policy & Financing, BA-20 "Clinical Navigation Services," FY23-24

1. PDN Prior Authorization Request (PAR) Overview

For a member to receive PDN services, home health agencies (providers of PDN services) are required to submit a prior authorization request (PAR) along with clinical information that will aid in the review of that request. The Department's utilization management (UM) vendor, Kepro, reviews the request and supporting documentation to see if it meets the definition of medical necessity (10 CCR 2505-10; 8.076.1):

> 8. Medical necessity means a Medical Assistance program good or service that:
>
> a. Will, or is reasonably expected to prevent, diagnose, cure, correct, reduce, or ameliorate the pain and suffering, or the physical, mental, cognitive, or developmental effects of an illness, condition, injury, or disability. This may include a course of treatment that includes mere observation or no treatment at all;
>
> b. Is provided in accordance with generally accepted professional standards for health care in the United States;
>
> c. Is clinically appropriate in terms of type, frequency, extent, site, and duration;
>
> d. Is not primarily for the economic benefit of the provider or primarily for the convenience of the client, caretaker, or provider;
>
> e. Is delivered in the most appropriate setting(s) required by the client's condition;
>
> f. Is not experimental or investigational; and
>
> g. Is not more costly than other equally effective treatment options.

The Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit provides comprehensive and preventive health care services for children under age 21 who are enrolled in Medicaid. Under federal law, EPSDT entitles children and youth to any treatment or procedure that fits within any of the categories of Medicaid-covered services if that treatment or service is necessary to "correct or ameliorate" physical or mental health conditions. EPSDT is key to ensuring that children and adolescents receive appropriate preventive, dental, mental health, medical, developmental, and specialty services. For EPSDT services, medical necessity includes a good or service that will or is reasonably expected to, assist the member to achieve or maintain maximum functional capacity in performing one or more Activities of Daily Living, and meets the criteria, Code of Colorado Regulations, Program Rules (10 CCR 2505-10.8.280.4.E.2).

Kepro considers all the information submitted with the PAR along with the Department's benefit regulations and EPSDT requirements, and issues an initial determination: approval, request for additional information, technical denial (the coverage policy is not met for reasons like lack of information or duplicate requests) or medical necessity denial, where a physician level reviewer determines medical necessity is not met. For any adverse determination, servicing providers may request a reconsideration and the ordering provider

may request a peer-to-peer review. Members may always access their appeals rights for adverse determinations.

Due to stakeholder concerns, the Department directed Kepro to put all PDN denials on hold in October 2022. During December and January 2023, Kepro joined Department efforts to retrain PDN providers on PAR submissions, including the required supporting documentation. In addition to general training webinars, Kepro's quality manager offered individual tailored trainings for providers. During this process, the Department directed Kepro to give administrative approvals (meaning they did not go through the rigorous medical necessity review) through April 3, 2023. This time period was intended to ensure providers had the best training and information so they could successfully receive authorization to serve Colorado Medicaid clients. Department clinicians will review all denials and continue to outreach to providers to help with technical issues related to cases.

The Department and Kepro continue to invest time and resources providing training and education to bring clarity and understanding related to the PDN benefit.

The Department is grateful for the approval of the BA-20 Clinical Navigation Services budget request, as the current nursing staff is unable to continue one-on-one outreach for each case. The new 1.9 nurse navigator FTEs will allow the Department to standardize and expand recent efforts to ensure members access the most appropriate level of care, looking holistically at other potential appropriate benefits that may provide necessary services outside of the PDN benefit. In addition to continuing outreach to providers for education, these nurse navigators will help identify gaps in care, communicate with Regional Accountable Entities (RAEs) about members' unmet needs, and coordinate medically necessary services.

2. PDN PAR Background

The Department set out to modernize the ColoradoPAR Program, its fee for service (FFS) Utilization Management (UM) Program (FFS UM) responsible for performing evidence-based medical necessity reviews for physical medical services, beginning in 2019. The FFS UM Program includes select outpatient benefits, services, and supplies, the Inpatient Hospital Review Program (IHRP), and out-of-state inpatient services. The ColoradoPAR Program does not review services provided by the Regional Accountable Entity (RAE) including Behavioral Health, residential placements, services covered by the Department's Managed Care Entities (Denver Health and Rocky Mountain Prime), dental, point of sale prescriptions, or transportation.

Through a competitive Invitation to Negotiate (ITN) process, Kepro was selected to administer the Department's UM Program. Kepro delivers care management and quality oversight solutions using clinical expertise and technology-driven solutions to improve quality and clinical outcomes for vulnerable populations. Kepro currently holds both Quality Improvement Organization (QIO) and QIO-like designations from CMS. Kepro is Utilization Review Accreditation Commission (URAC) accredited and licensed to perform reviews in every state. Kepro brings 30+ years of Medicaid and Medicare experience, serving 27 Medicaid agencies over more than 20 years. They are one of the largest and most experienced federal, state, and local government review vendors in the nation, supporting government programs for over

one billion covered individuals since 1985. In addition to submitting a superior proposal, the Department recognized Kepro's experience with other state Medicaid programs, the recommendations from those states, and Kepro's proprietary provider PAR portal. An additional notable factor was their overall book of business, which will allow the Department to learn from and leverage industry best practices while facilitating implementation at the provider level. Staff involved in the selection and implementation were confident the Kepro contract would improve UM performance.

Before Kepro was contracted to support the Department's FFS UM program, the previous vendor was eQ Health Solutions, Inc. During eQ Health Solutions' tenure, the Department worked closely with stakeholders and the vendor to improve notices of denial and appeal rights. Directly thereafter, the Department decided to maintain the PDN PAR pause – and to pause other home health UM - due to the complexities of securing care for home health recipients during the COVID-19 Public Health Emergency. Kepro implemented PARs for other Health First Colorado benefits on May 1, 2021, while the Department developed a plan to keep PDN PARs paused. A ten-month period was offered for agencies to submit PDN PARs to avoid the burden of submitting them all at the same time.

This PDN PAR timeline highlighting the events occurring since 2019 is illustrated, below:

Fall 2019	In the fall of 2019, HCPF identified quality improvement steps for Fee for Service (FFS) determination letters, including PDN. At this time, eQ Health Solutions, Inc. was the contracted UM vendor with the Department. While new determination notices were developed, eQ Health Solutions approved all PDN services as requested by the PDN service provider. (September 2019 – June 2020)
March 2020	In March of 2020 the Public Health Emergency (PHE) was announced by Gov. Polis in response to the COVID-19 pandemic.
July 2020	In response to the PHE and growing concerns about care coordination from stakeholders, the Department announced medically necessary and compliant services could be provided to Health First Colorado members and be reimbursed without a PAR, including PDN. From July 2020 – May 2021 the Department worked with stakeholder groups, providers, the UM vendor, and RAEs on many training elements related to PDN and the PAR process.
May 2021	Kepro began providing FFS UM services to Health First Colorado on May 1, 2021.
November 2021	A phased in approach to PAR submission commenced for PDN providers: This 10-month implementation was developed in collaboration with providers and other stakeholders to decrease burden associated with PAR submission. 10% of PARs held by the PDN provider agency were to be submitted each month through August 2022. If a member received a denial for services after a medical necessity review by Kepro, the member's PDN services would continue for 60 days (under an administrative approval) and continuation of benefits through an appeal, if the member chose to appeal. If a member chose not to appeal, a stepdown

COLORADO Department of Health Care Policy & Financing

	process was instituted over a three-month period so that a more gradual benefits reduction would coincide with care coordination efforts.
October 2022	In response to stakeholder concerns, the Department initiated a temporary administrative approval process through December 2022 for all PDN members, which was eventually extended through April 3, 2023, again allowing medically necessary and compliant services to be provided to Health First Colorado members and be reimbursed without a full medical necessity review.
April 2023	By April 30, 2023, all Health First Colorado members with a PDN PAR, were mailed a determination notice based on Department and/or UM vendor PAR review.

3. PDN Current Processes

Kepro and Department nursing staff continue to meet with and serve as resources to PDN agencies. Twenty-three agencies completed training with Kepro and the Department between November 2022 and January 2023.

Analysis of denied services indicates that while PDN was determined to not be medically necessary, much of what was requested may be provided through other benefits, such as intermittent nursing, certified nursing assistant (CNA) services, or personal care through the home health or pediatric personal care benefits. In some cases, pediatric behavioral therapy (PBT) can also provide appropriate supports or additional wraparound services that are available through waivers.

Improvements to Kepro's processes include ensuring that physician feedback on denials is presented in plain language, and providing additional clarity to agencies regarding what they are looking for in clinical support for PARS, including nursing notes and other key documentation. The Department is sensitive to the needs of members who started PDN services during the PAR pause with no medical necessity reviews or feedback, in addition to the need to bump up services for some members during acute episodes. A Department nurse and Policy staff will review every denial. Another nurse is studying change in condition for pediatric members that have received PDN denials to confirm that appropriate approvals and denials were issued.

In addition to customized training and education, providers are accessing peer-to-peer reviews and reconsideration processes. All of these interventions are providing clearer understanding for home health agencies of when members' nursing needs are continuous or intermittent. This distinction determines when members qualify for PDN services or other benefits. As agencies understand and start to comply with submitting clinical documentation that reflects interventions which are continuous or intermittent nursing, approval rates are improving specific to PDN services.

C. HCPF and RAE Collaboration

The Department continues to work with RAEs and Denver Health Medicaid Choice managed care organization (MCO) to ensure members receive support related to PDN services. All

RAEs/MCOs have designated contacts responsible for leading their organization's efforts to support these members.

The Department hosted two trainings in January 2023 to ensure leads and other RAE/MCO care coordination staff understand the PDN benefit, Case Management Agency (CMA) scope of work, and the RAE/MCO responsibility to support members who may receive PDN denials. Responsibilities initially outlined in Operational Memo (OM) 21-060[2] continue to apply for RAEs/MCOs. RAEs/MCOs are expected to outreach every member who receives a PDN denial. If the member is on a waiver and assigned a CMA, the RAE/MCO is expected to outreach and coordinate with the assigned CMA. The RAE/MCO is expected to support the member by explaining the appeals process and helping connect the member to alternative supports if needed. It has also been common and helpful for RAEs/MCOs to collaborate closely with providers when additional clinical documentation is needed for reconsideration.

Regular exchange of information between the Department and RAEs/MCOs has been an important component of ensuring members receive appropriate support. Each week Kepro and HCPF collaborate to create a list of members who have received PDN denials which is then sent to the RAEs/MCOs. The report (PAR Determination Report or PDR) includes information such as the member's name and contact, date of the denial, whether the member has an assigned CMA, information about the requesting provider, and denial reason(s). RAEs/MCOs then use this information in combination with existing clinical information, to outreach and support the member.

RAEs/MCOs all submit regular reports back to HCPF to confirm that members have been outreached and to track the status of support. These reports are submitted every two weeks and will eventually transition to a monthly schedule unless concerns are identified. RAEs/MCO also report summary data two times a year on the Care Coordination and Complex Management Report. In addition to these scheduled reporting processes, the HCPF clinical staff and RAEs communicate directly on cases that are more clinically and/or administratively complex to ensure member needs are being met.

D. PDN Future State

4. Clinical Navigation Services

To ensure that medically complex pediatric members utilizing PDN access the most appropriate level of care and to reduce inappropriate utilization, the Department has developed Clinical Navigation Services with 1.9 FTE. These licensed registered nurses will enhance the Department's ability to work with Kepro and perform audits (or secondary medical necessity reviews) of PDN PAR denials prior to Kepro rendering final determinations. The nurses may also identify other fee for service benefits or home and community-based waivers for which the members may qualify. Additionally, they will work directly with family members in a clinical navigation relationship. Cases for members 20 and under will always be reviewed with consideration of the Early and Periodic Screening, Diagnostic and Treatment

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[2] Operational Memo (OM) 21-060 https://hcpf.colorado.gov/sites/hcpf/files/HCPF%20OM%2021-060%20Updated%20Care%20Coordination%20and%20Case%20Management%20Expectations%20for%20Utilization%20Management%20Denials.pdf

COLORADO
Department of Health Care Policy & Financing

(EPSDT) policy. This ability to look holistically at member needs and consider all appropriate benefits removes the potential conflict created by home health agencies – responsible for providing PDN services - determining whether members have PDN needs.

Using a virtual/video-based assessment model focusing on children who have received any PDN denial since November 1, 2021, the nurses will provide:

- Monthly outreach calls to identified members.
- Family education and support to ensure the most appropriate and medically necessary services are identified and requested.
- Communication with RAEs regarding unmet needs, including referring members to more appropriate services; and
- Provider education and outreach and education specifically focused on the PAR process and requirements related to missing/supporting documentation required for PDN services.

Better clinical navigation and care coordination have generally resulted in higher quality care and cost savings as members receive other more appropriate and potentially less costly Medicaid program services when transitioned through the PDN process.

5. Home Health and PDN Acuity Tool

In addition to adding new Clinical Navigation staff, the Department is working to implement evidence-based tools that define member needs. The Department received funding to implement an adult Long-Term Home Health (LTHH) and a pediatric and adult Private Duty Nursing (PDN) acuity tool in Fiscal Year (FY) 2019-20 through budget request R-9, "Long Term Home Health/Private Duty Nursing Acuity Tool." The project included hiring a Contractor to perform this work by starting with an environmental scan in FY 2020-21 of other state tools. The Contractor was unable to identify an appropriate tool that was available for immediate adoption, was valid, reliable, and included a points system. These findings resulted in the Department concluding that the best approach was to build one from the ground up. There was not adequate funding in the R-9 budget request to build and implement tools. The Department subsequently used American Rescue Plan Act (ARPA) funding to select a vendor to create new tools, including a PDN Acuity Tool. With the ARPA funding, the Department is contracting with ForHealth Consulting at UMass Chan Medical School to develop and pilot the new assessment tools. The piloting of the tool will begin in spring of 2024 with the final tool completed by September 2024.

E. Wrap Around Services

The Department operationalizes a variety of services and programs through different Medicaid authorities to meet the varying needs of Colorado Health First members. PDN is one service available through Colorado's Medicaid program; however, there are many services and programs that are available to members who qualify. Below includes a summary of services that may be most applicable to members who are also eligible for PDN or are requesting PDN services. The below is not an exhaustive list of all available Medicaid services and/or

programs available through Health First Colorado. A complete listing of benefits can be found on the Department's [website.]()

Long-Term Services and Supports (LTSS)

Long-Term Home Health is a program available, when medically necessary, to pediatric and adult members, that provides skilled services such as skilled nursing, certified nursing assistant (CNA) services, Physical Therapy, Occupational Therapy, and Speech Language Pathology/Therapy. This physician ordered care is provided on an intermittent basis.

These services can be provided by a Home Health Agency (HHA) and HHAs submit Prior Authorization Requests (PAR) for members.

Pediatric Personal Care is provided to members 20 years of age and younger and assessed using the Personal Care Assessment Tool (PCAT) to identify unskilled support needs. Pediatric Personal Care assists members with ambulation/locomotion, bathing/showering, dressing, meal preparation, feeding, hygiene, toileting, and medication reminders.

These services are provided by personal care providers, who also submit the Prior Authorization Request (PAR) for approval.

Pediatric Behavioral Therapy (PBT) is a treatment that helps change maladaptive behaviors. Professionals use this type of therapy to replace bad habits with good ones. This service is available when medically necessary to all Health First Colorado members aged 20 and younger through Early and Periodic Screening, Diagnostic and Treatment (EPSDT).

PBT is provided by contracted Medicaid providers, who complete an assessment and submit a PAR to the Department's contracted Utilization Management (UM) vendor for authorization.

Home and Community-Based Services (HCBS) Waivers are authorized through section 1915(c) of the Social Security Act. HCBS waivers are authorized to waive certain Medicaid criteria in order to provide an array of services to members who qualify.

Colorado operates ten (10) HCBS waivers:

Adult Waivers

- Brain Injury (BI)
- Community Mental Health Supports (CMHS)
- Complementary and Integrative Health (CIH)
- Developmental Disabilities (DD)
- Elderly, Blind, Disabled (EBD)
- Supported Living Services (SLS)

Children's Waivers

- Children's Home and Community-Based Services (CHCBS)
- Children with Life Limiting Illness (CLLI)
- Children's Habilitation Residential Program (CHRP)

- Children’s Extensive Support (CES)

Services available range from residential to day programs, behavioral services to movement therapy, massage, personal care services and homemaker. A complete listing of services available within each waiver are found on the Department’s Waiver Comparison Charts.

Consumer-Directed Attendant Support Services (CDASS) lets a member direct and manage the attendants who provide their personal care, homemaker, and health maintenance services, rather than working through an agency. CDASS is available in the Brain Injury (BI), Community Mental Health Supports (CMHS), Complementary and Integrative Health (CIH), Elderly, Blind, and Disabled, and Supported Living Services (SLS) waivers.

In-Home Support Services (IHSS) lets a member direct and manage the attendants who provide their personal care, homemaker and health maintenance services, with the added support of an agency. IHSS is available in the Children’s Home and Community-Based Services (CHCBS), Complementary and Integrative Health (CIH), and Elderly, Blind, Disabled (EBD) waiver.

HCBS waiver eligibility and service authorization are completed by the Department’s contracted Case Management Agencies (CMAs). Case managers working for the CMAs conduct assessments and complete HCBS PARs to authorize services.

Clinical Navigation staff will work directly with providers and families to ensure members are connected to appropriate LTHH and/or Pediatric Personal Care services when care needs do not meet requirements for PDN, but members have other support needs. Clinical Navigation staff can also work with CMAs to ensure members are connected to appropriate services in the community in the event they identify a member may benefit from HCBS waiver services.

As stated under, “Clinical Navigation Services,” the Department anticipates the newly created clinical navigator FTEs to assist with connecting Health First Colorado members with the most appropriate services to meet their needs. The wraparound services outlined above are not a comprehensive list of available services and supports but are those services a clinical navigator most likely will make a referral to a RAE or CMA on behalf of a member.

F. PDN PAR Data

Since November 2021, 948 members have had cases submitted for PDN services. Members can have multiple outcomes if they have had multiple cases since November 2021. A case is a request for care by an agency for a period defined by policy and member need.

The following is a summary of case outcomes, surrounding the 948 members referenced above, as of the date of this report:

- 86.5% of PDN cases were fully approved.
- 8.8% of PDN cases were partially denied.
    - Most partial denials are to reduce requested hours due to lack of medical necessity for the full amount requested.
- 4.7% of PDN cases were fully denied.

- Of those full denials 55% were for medical necessity; 45% were for technical issues with the submission (technical denials often result in approvals once they are resolved.)

It is important to note that some of the people in the full denial category first began services in the last two years when the PAR process was not in place.

This data is constantly evolving. Providers continue to submit new requests or additional information that may change the outcome of these determinations. The Department continues to monitor data for trends and regularly posts these data points to the PDN website.

G. Next Steps

As the Department's Human Resources process is implemented to hire the newly authorized Clinical Navigation RN FTEs funded through BA – 20, additional process improvements are also underway to ease provider and member burden associated with private duty nursing benefits and particularly prior authorization requests. The Department expects the combination of hands-on clinician review and support, provider training, RAE collaboration and PDN Acuity Tool development to ensure access to the most appropriate services to support medically complex pediatric members in a manner that is both compliant with state and federal rules and regulations and person-centered to focus on the needs of each child. The Department anticipates using this report's future iterations to keep the JBC informed of the progress and impact of the above changes, particularly the implementation of 1.9 FTE for the purpose of clinical navigation.