



**COLORADO**

Department of Health Care  
Policy & Financing

Dear Provider,

### **Units Requested on the Prior Authorization (PA)**

When submitting a prior authorization request (PAR), providers must request the total number of units appropriate and necessary for the course of the treatment to be covered by the PA and as indicated for the specified diagnosis.

For Health First Colorado-only members, the Department does not pay for wasted drug from single or multi-use vials; a provider must bill for only the amount of drug administered to the member. For members having both Health First Colorado and Medicare (dual-eligible), a provider may bill for wasted drug on a second line with the JW modifier on Medicare Part B Crossover claims only.

The requested units shall not include waste or discarded drugs from single-dose vials nor should a PA be requested for any PAD not purchased directly by the provider.

Additional guidance on unit calculation and billing policies can be found in the [PAD billing manual](#).

### **Retroactive PARs**

Retroactive authorizations are not allowed, with a few exceptions due to extenuating circumstances.

Exceptions are granted only when the provider is able to document that appropriate action was taken to meet the submission requirements and that the provider was prevented from requesting the PAR as the result of extenuating, unforeseen and uncontrollable circumstances. Requests for retroactive authorization must contain a detailed description of the circumstance that was beyond the control of the provider.

**Note:** Office/clinic employee negligence, employer failure to provide sufficient, well-trained employees or failure to properly monitor the activities of employees and agents (e.g., billing services) are not considered extenuating circumstances beyond the provider's control.

A detailed description and applicable documentation of the extenuating circumstances must be included in the request for retroactive authorization.

### **Coordination of Benefits (COB)- PA requirements for Health First Colorado members who have Medicare coverage (dual-eligible) and members with other Third-Party Liability (TPL) health insurance coverage**

#### **Dual-Eligible members**

When a PAD listed on Appendix Y meets criteria for a local coverage determination (LCD) and/or a national coverage determination (NCD) and is billed to Medicare as primary and Health First Colorado secondary, no PA is needed and no PAR submission is required.

#### **Other TPL**

Providers must submit a PAR to Kepro for any PAD listed on Appendix Y when a member has additional TPL health insurance coverage other than Medicare. Kepro will process a PAR according to the criteria on Appendix Y and notify the provider of the determination per all PAD PA policy and procedure requirements.

- The requesting provider must submit a PAR to Kepro, regardless of the TPL PA determination and must include:
  - Any and all determination letters and clinical documentation
  - A note of the approval or denial made by TPL

Any guidance regarding PA requirements related to COB received prior to May 1, 2022 will not be considered and all members with TPL will require a PA.

### **PA Submission**

When entering a PAD PAR, the servicing provider is the billing provider. If entering the rendering/administering provider as the servicing provider, there may be instances where the rendering provider type is producing a PAR submission error. Ensure the billing provider (typically the clinic/office) is entered on the PAR as the servicing provider to successfully submit the PAR and to avoid subsequent PAD claims processing issues.

For any approved PA on file in which the billing provider was not entered as the servicing provider, complete the following steps for the pertinent scenario to ensure the information on the PA is accurate and to avoid PAD claims processing issues:

1. There has been at least one claim billed on the PA
  - a. Submit a new prior authorization request
  - b. Add a note to include:
    - i. A description of the error
      1. Example: Previous PAR was approved with incorrect provider listed as the servicing provider
    - ii. The request to end-date the previous PA and include the case ID
2. There have been no claims billed on the PA
  - a. File a revision request on the submitted PA in Atrezzo
  - b. Follow the instructions for [How to Make Revisions to Submitted Request](#)

Visit the [Physician-Administered Drugs web page](#) to find the [PAD PAR Frequently Asked Questions](#).

Thank you,

Department of Health Care Policy & Financing

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