Substance Use Disorder Utilization Management Quarterly Report

Fiscal Year 2020-2021, Third Quarter

October 1, 2021

COLORADO
Department of Health Care Policy & Financing

I. Introduction

In accordance with Colorado House Bill 18-1136, the Department of Health Care Policy & Financing (Department) expanded its substance use disorder (SUD) benefit to complete the full continuum of SUD services as defined by the American Society of Addiction Medicine (ASAM), ensuring that members can access the level of care most appropriate for them. This included the addition of all inpatient and residential levels of SUD services, including residential treatment and withdrawal management. Previously, only Special Connections (residential treatment for pregnant and parenting individuals), outpatient services, and a lower-intensity withdrawal management (known as "social detox") were covered by Health First Colorado. The expansion required an 1115 SUD demonstration waiver to cover services rendered in institutions for mental disease and a State Plan Amendment to cover services in other settings. The benefit expansion went live on January 1, 2021.

In 2021, the Colorado General Assembly passed Senate Bill 21-137[1] that mandated the Department consult with the Office of Behavioral Health, residential treatment providers, and Managed Care Entities to develop standardized utilization management processes to determine medical necessity for residential and inpatient substance use disorder treatment. Additionally, by October 1, 2021, the Department was mandated to develop a report on the residential and inpatient substance use disorder utilization management statistics.

As required by SB21-137, the Department coordinated a working group comprised of providers, Regional Accountable Entities (RAEs), and the Office of Behavioral Health that met on four separate occasions to identify key data points to be collected. These data points include:

1. Average Length of Initial Authorizations for each RAE and provider by level of care (LOC)
2. Average response time for Initial Authorization for each RAE by LOC
    a. Total number of Initial Authorizations that met response time standard

[1] Colorado Senate Bill 21-137: https://leg.colorado.gov/bills/sb21-137

    b. Total number of Initial Authorizations the exceeded response time standard

3. Percentage of Initial Authorizations need additional clinical documentation
4. Percentage of Initial Authorizations that were incomplete
5. Percentage of Initial Authorizations that were issued retroactively
6. Total Initial denials broken down by reason for each RAE and provider by LOC
    a. Administrative denial: Late, technical issue, incomplete
    b. Benefit Issue: not covered benefit, not covered diagnosis
    c. Medical Necessity denial
7. Average Length of Continued Authorization for each RAE and provider by LOC
8. Average response time for Continued Authorization for each RAE by LOC
9. Number of Appeals per LOC
    a. Number of overturned denials per LOC
10. Number of Peer-to-Peer consultations (P2P) requests
    c. Average response time for P2P decision after request submitted
    d. Percent of P2P requests that overturned denials
11. Average Length of Stay per LOC

Some of the data selected by the working group to be included in these reports has not been collected to date, and the Department is currently working with the RAEs to build systems to capture this information. In particular, data related to Peer-to-Peer consultations (P2P) and response times is not yet available. Additionally, there were only 7 Continued Authorization requests with 1 appeal that overturned a denial during this first quarter. This report reflects currently available key data points, and the Department will be able to report on all chosen data points by April 2022.

Productive conversations among the RAEs and providers during working group discussions resulted in agreement on standards for Initial Authorization Timeframes. The following standards will be incorporated into RAE contracts effective January 1, 2022:

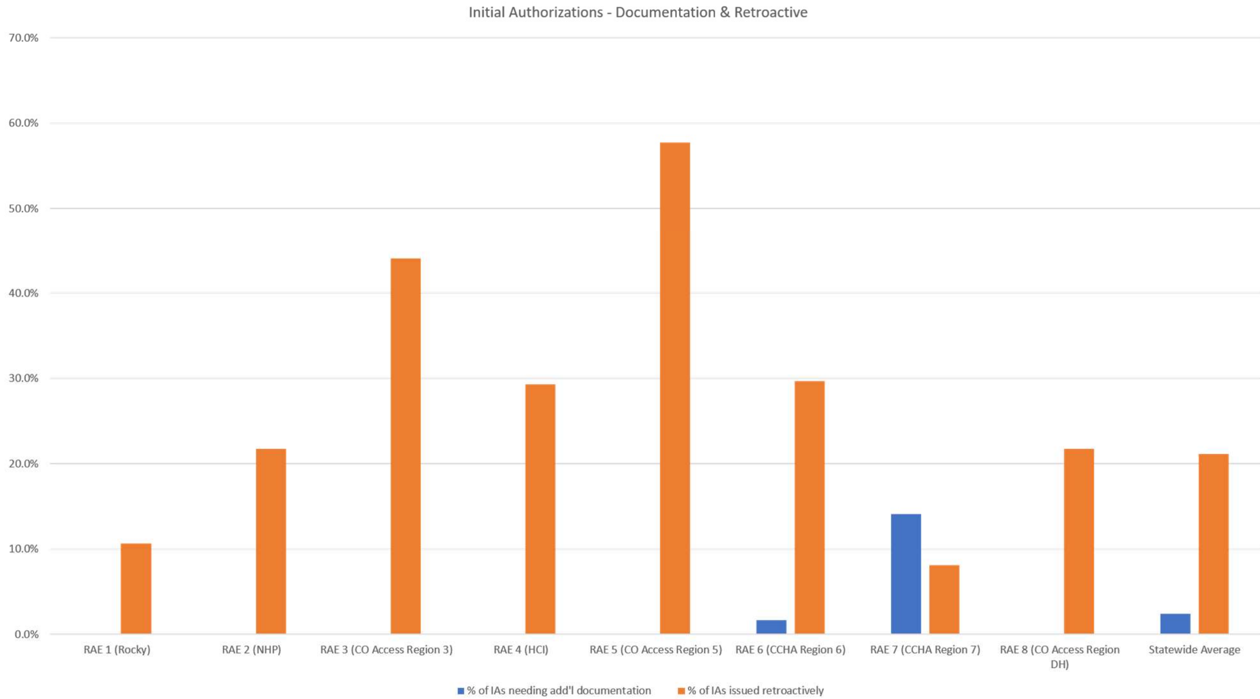
ASAM Level	Initial Auth Timeframe
3.1, 3.3, 3.5	14 days minimum
3.7	7 days minimum
3.2WM	5 days minimum before concurrent auth
3.7WM	4 days minimum before concurrent auth

The Department will report data related to Initial Authorizations timeframes in the next quarterly report, to be published on January 1, 2022. That report will reflect data from April 1 to June 30, 2021, which is prior to these timeframes being decided. Subsequent reports will align with the established standards.

II. Data

This report reflects self-reported data from the RAEs for the first quarter of the expanded SUD benefit: January 1 to March 31, 2021.

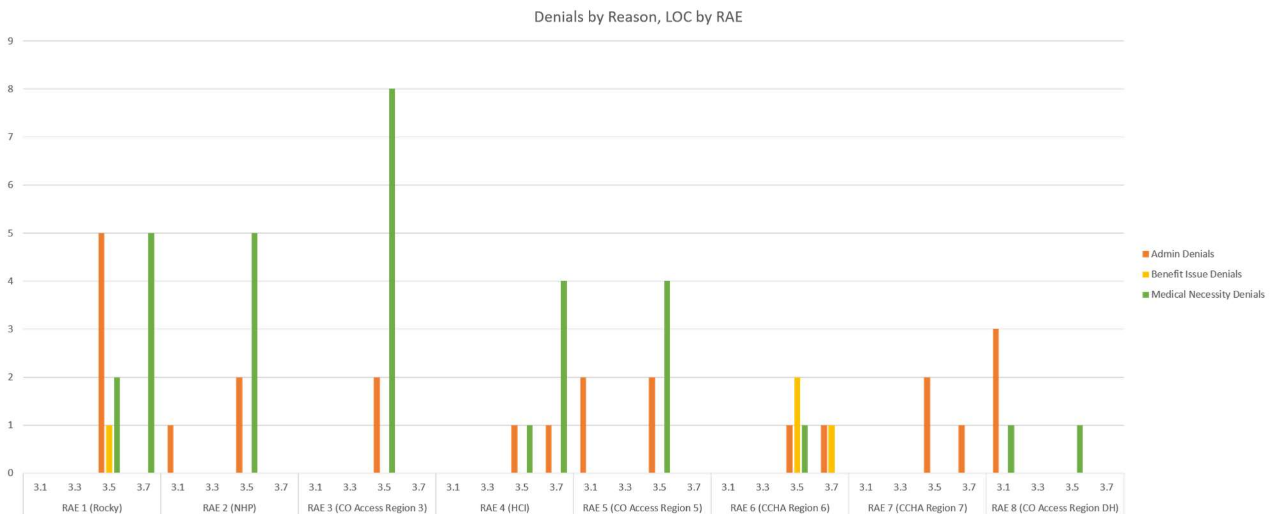
There were a total of 2250 Initial Authorizations during the first quarter. However, not all authorizations lead to services provided. As noted below, there were approximately 569 episodes of care during this reporting period. Please note as well that Initial Authorization requests are not needed for Withdrawal Management LOC. None of the Initial Authorization requests were identified as “incomplete”. The following chart shows the percentage of Initial Authorizations that needed additional clinical documentation or were issued retroactively by a RAE.



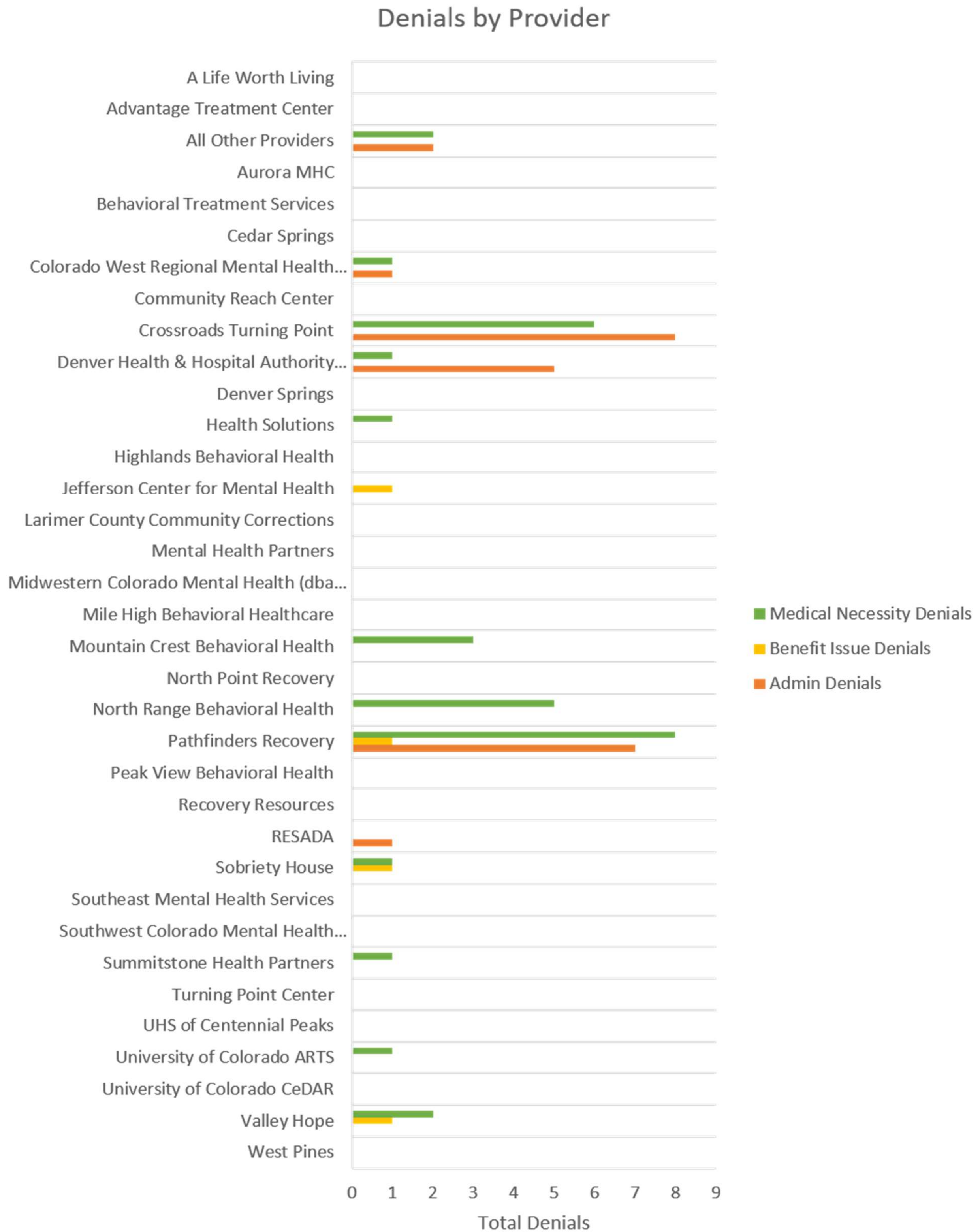
There were 60 Total Initial Authorization denials for the first quarter.

- 24 administrative denials (includes late, technical issue, incomplete, etc.)
- 4 benefit denials (includes not covered benefit, not covered diagnosis, etc.)
- 32 medical necessity denials

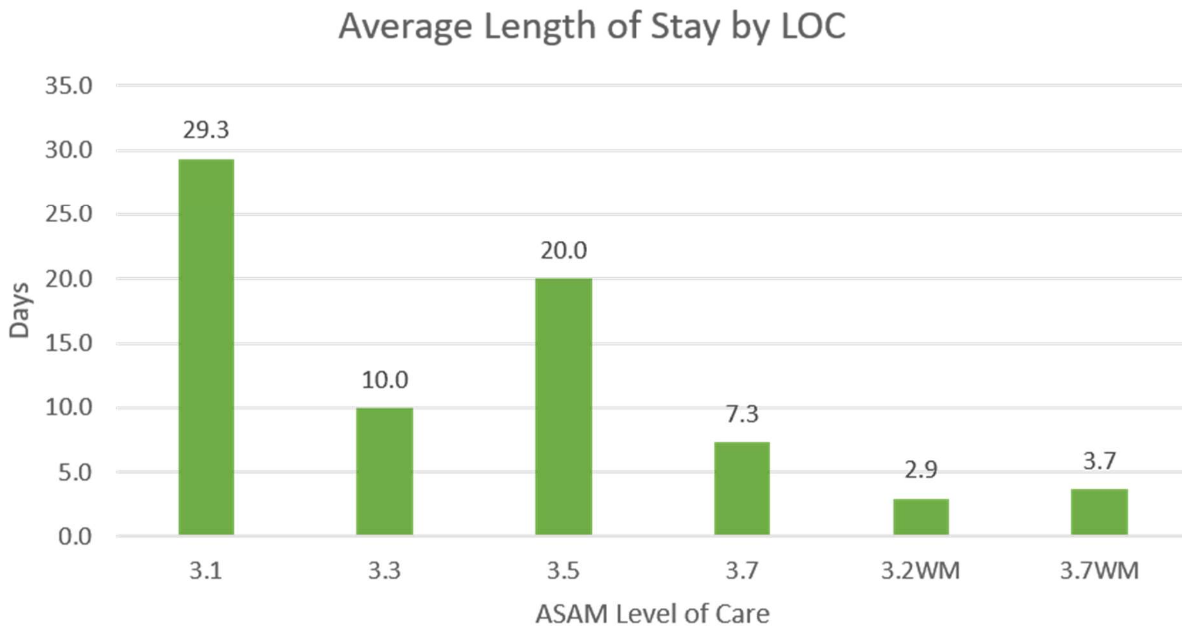
This graph shows denials broken down by reason for each RAE by LOC:



The 60 Initial Authorization denials broken down by reason for each provider:



Length of stay for each level of care (LOC) is calculated by dividing the total episodes of care (1 member could have more than 1 episode) by the total number of days paid for that LOC. The total episodes of care for each LOC during the first quarter are as follows: 3.1 - 130, 3.3 - 2, 3.5 - 347, 3.7 - 90, 3.2WM - 1609, and 3.7WM - 401. The following chart shows the Average Length of Stay per LOC:



III. Closing

A few high-level observations worth summarizing from this quarter's data include:

- There were 2579 episodes of care across the SUD continuum.
- 78% of the episodes of care were withdrawal management services.
- 1.4% of initial authorizations were denied due to Medical Necessity.
- Of the 60 total denials, 50% were connected to 2 providers.
- Level 3.5 received the most denials across all RAEs.

The Department is continuing to work with the RAEs to collect the data points identified above. More robust data will be available for future reports, providing the Department more opportunities to identify trends and system traits across the SUD continuum.