



Empower Healthcare Solutions		POLICIES AND PROCEDURES	
Policy Number:	Category:	Page	
Title: Compliance with The Prior Authorization Transparency Act (Act 575 of 2023)		Original Date of Issue:	
Keyword Search:	Previous Date Approved:	Current Date Approved:	

Reviewed <input type="checkbox"/>	Revised <input type="checkbox"/>	New <input checked="" type="checkbox"/>	Approval Signatures: Approver Name:
Review Date:			
Revised Date:			
Compliance with The Prior Authorization Transparency Act (Act 575 of 2023)			
Functional Area(s) Involved in Review:			

I. PURPOSE
To ensure compliance with The Prior Authorization Transparency Act (Act 575 of 2023).

II. DEFINITIONS

Care Coordination: Activities involving a collaborative patient-centered engagement of the individual and their caregiver in service referral, follow up, and service navigation. The care coordination process includes assessing, collaborating on care planning, medication management, treatment plan follow-through, service coordination, monitoring the patient adherence, and reevaluating the patient for medically necessary care and service. These activities focus on ensuring the individual’s healthcare and support service needs are met; through effective provider and patient communication, information sharing, follow up, care transitions, and assurance of timely access to care that promotes quality, cost-effective outcomes.

PASSE: The purpose of the Arkansas PASSE program, pursuant to Title XIX of the Social Security Act (The Act) and Arkansas Act 775, is to organize and manage the delivery of services for certain Medicaid beneficiaries who have complex behavioral health and intellectual and developmental disabilities service needs. The federal statutory and regulatory requirements that govern the PASSE Program are described in 42 CFR § 438.

Prior Authorization: Prior authorization means the process by which a utilization review entity determines the medical necessity of an otherwise covered health care service before the health care service is rendered, including without limitation preadmission review, pretreatment review, utilization review, case management, fail first protocol, and step therapy. “Prior authorization” may include the requirement that a subscriber or health care provider notify the health insurer or utilization review entity of the subscriber's intent to receive a health care service before the health care service is provided.



Empower Healthcare Solutions		POLICIES AND PROCEDURES	
Policy Number:	Category:	Page	
Title: Compliance with The Prior Authorization Transparency Act (Act 575 of 2023)	Original Date of Issue:		
Keyword Search:	Previous Date Approved:	Current Date Approved:	

III. POLICY

Act 575 of 2023 (The Prior Authorization Transparency Act) establishes a mechanism “to exempt certain health providers that provide certain healthcare services from prior authorization requirements.” Section 23-99-1127 provides a regulatory exemption for “an organization or entity directly or indirectly providing a plan or services to patients under the for Medicaid Provider-Led Organized Care Act or any other Medicaid-managed care program... if the program, without limiting the program's application to any other plan or program, develops a program to reduce or eliminate prior authorizations for a healthcare provider on or before January 1, 2025.”

Empower also acknowledges that unnecessary PA requirements have the potential to further exacerbate concerns of administrative burden and wasteful practices that can contribute to a fragmented healthcare delivery system. In recognition of these facts, Empower takes several steps pursuant to Act 575 designed to reduce PAs for healthcare providers while maintaining a balanced approach upholding key elements of the PASSE program. These initiatives support the intent of the PASSE exemption from the full regulatory scope of the Prior Authorization Transparency law, while reducing PA work volume and administrative tasks in a meaningful and appropriate manner.

Since 2023, and in conjunction with this Act 575, Empower Healthcare Solutions has removed prior authorization from a total of 555 codes.

Prior authorization was removed for all providers on 479 codes in the following categories:

- Advanced Imaging
- Alcohol and Drug Abuse Services
- Ambulance Supplies
- Anesthetic - Local
- Contraceptives
- DME - Additional Oxygen Related Equipment
- DME - Wheelchair Accessory
- DME - Wheelchairs and Accessories
- Enteral Formulae and Enteral Medical Supplies
- Evaluation and Management
- Implants
- Incontinence Supplies
- Injectable Medications
- Pain Management
- Parenteral Nutrition Solutions and Supplies
- Personal Care Services in a Residential Care Facility
- Physical or Occupational Therapy
- Radiation Therapy
- Radiology
- Respiratory Services



Empower Healthcare Solutions		POLICIES AND PROCEDURES	
Policy Number:	Category:	Page	
Title: Compliance with The Prior Authorization Transparency Act (Act 575 of 2023)		Original Date of Issue:	
Keyword Search:	Previous Date Approved:	Current Date Approved:	

- Spinal Puncture
- Spinal Surgery
- Surgery
- Transportation - Emergent

Prior Authorization was also removed on 76 codes specialists in the following:

- Chemotherapy Medications
- Implants
- Injectable Medications

Due to the nature of the services provided to members with the PASSE, the following services will remain under prior authorization:

- Community and Employment Services (1915 c waiver)
- Home and Community Based Services (1915 i waiver)
- Elective Inpatient Admissions
- Elective Surgical Procedures
- Psychiatric Residential Treatment
- Skilled Nursing
- Inpatient Rehabilitation
- Personal Care Services in the Community
- Admission to an Institution of Mental Disease (IMD)
- Intermediate Care Facility (ICF)
- Pharmacy

IV. PROCEDURE

Empower reviews and updates its Prior Authorization list quarterly, at a minimum, to evaluate services where prior authorization is an unnecessary burden to the providers and unwarranted.

During this evaluation, Empower compares the current AR Medicaid requirements and limits to current authorization requirements. Empower considers removing Prior Authorization from codes with a high rate of approval across the provider network. The review team has multi-disciplinary representation including external community providers. Empower notifies its provider network of any changes to prior authorization with a minimum of 90 days' notice. These changes are communicated to the network via provider alerts on the Empower website and via email directly with the provider.

Prior Authorization requirements and procedures are maintained in readily accessible formats via the Empower PASSE website. These openly available resources include, among others, PA request forms, quick-reference guides, extension of benefit limits, and a PA Code Check search to quickly identify those codes and services which presently require prior authorization.



Empower Healthcare Solutions		POLICIES AND PROCEDURES	
Policy Number:	Category:	Page	
Title: Compliance with The Prior Authorization Transparency Act (Act 575 of 2023)		Original Date of Issue:	
Keyword Search:	Previous Date Approved:	Current Date Approved:	

Empower currently considers specific CPT codes within the following broad service categories as gold carded, or exempt from prior authorization, for in-network participating providers:

1. Physical Health:

- Primary Care Sick Visits
- Well Child Visits
- Second Opinions
- Preventative Screenings
- Urgent Care
- Immunizations
- Specialist Visits (i.e. orthopedics, endocrinology)
- Pain Management and Nerve Blocks
- Family Planning:
 - Prenatal Visits
 - Long-Acting Contraceptives
 - Infertility Visits
 - Delivery
- Emergent and Non-Emergent Ambulance Transportation
- Medical & Surgical Supplies
- Allergy Testing
- Chemotherapy Procedures and Infusions
- Chemotherapy Drugs
 - PA not required when rendered by a hospital, hematologist, or oncologist.
- Diagnostic Imaging and Testing
- Dialysis
- Genetic Testing
- Pathology and Laboratory Services
- Certain Injectable Medications
 - Additional injectables covered for OB/GYN or Perinatologist.

2. Physical Health – Therapy & Screenings:

- Chiropractic
- Hearing Screening
 - Audiology Testing
 - Hearing Aids for under 21
- Radiation Therapy
- Home Health
 - Nursing (RN/LPN)
 - Physical Therapy
 - Occupational Therapy



Empower Healthcare Solutions		POLICIES AND PROCEDURES	
Policy Number:	Category:	Page	
Title: Compliance with The Prior Authorization Transparency Act (Act 575 of 2023)		Original Date of Issue:	
Keyword Search:	Previous Date Approved:	Current Date Approved:	

- Wound Care
 - Evaluations
 - Speech and Language
 - Occupational Therapy
 - Physical Therapy
 - Therapy
 - Speech and Language
 - Occupational
 - Physical
 - Vision Screening
 - Glasses
 - Contacts
 - Adult Developmental Day Treatment
 - Early Intervention Day Treatment
3. Durable Medical Equipment:
- Bedside Commode
 - Hospital Bed and Accessories
 - Patient Lifts
 - Compression Devices
 - Speech Generating Devices
 - Wheelchairs and Accessories
 - Excludes electric wheelchairs
 - Incontinence Supplies
 - Nutritional Formulas for Tube Fed Members
 - Tracheostomy Supplies
 - Orthopedic Footwear
 - Orthotic Devices
 - Continuous Glucose Monitor Supplies
 - Prosthetic Devices
4. Behavioral Health:
- Behavioral Health Counseling
 - Substance Abuse Counseling
 - Group Therapy
 - Marital Therapy
 - Family Therapy
 - Peer Support
 - Crisis Intervention and Stabilization
 - Family Support Partners
 - Behavioral Assistance (QBHP)



Empower Healthcare Solutions		POLICIES AND PROCEDURES	
Policy Number:	Category:	Page	
Title: Compliance with The Prior Authorization Transparency Act (Act 575 of 2023)		Original Date of Issue:	
Keyword Search:	Previous Date Approved:	Current Date Approved:	

- Psychoeducation
- Crisis Stabilization Unit Admission
- Psychiatric Evaluations
- Psychiatric Medication Management for Behavioral Health
- Medication Assisted Treatment for Substance Abuse
- Pharmacological Counseling
- Psychological or Neuro-psychological Cognitive Testing
- Autism Evaluations
- Child and Youth Support Services
- Treatment Planning

5. Emergency department visits never require Prior Authorization in observance of urgent need.
6. Observation in an inpatient hospital setting does not require authorization to facilitate less administrative burden on the provider for short stays and brief intervention.

Through these actions and initiatives, Empower maintains a framework of PA requirements that is generally less stringent than those administered by AR Medicaid. PA requirements that remain in effect are maintained specifically to balance the fiscal, clinical, and regulatory responsibilities established within the PASSE program.

V. REFERENCES

The importance of the Medicaid managed-care exemption in Act 575 is further emphasized by key objectives defined in Act 775 of 2017 which authorized creation of the Provider-Led Arkansas Shared Savings Entity (PASSE) program.

20-77-2702. Legislative intent and purpose.

(c) It is the intent of the General Assembly that the Medicaid provider-led organized care system created by the department shall:

- 1) Improve the experience of health care, including without limitation quality of care, access to care, and reliability of care, for enrollable Medicaid beneficiary populations*
- 2) Enhance the performance of the broader healthcare system leading to improved overall population health*
- 3) Slow or reverse spending growth for enrollable Medicaid beneficiary populations and for covered services while maintaining quality of care and access to care*
- 4) Further the objectives of Arkansas payment reforms and the state's ongoing commitment to innovation*
- 5) Discourage excessive use of services*
- 6) Reduce waste, fraud, and abuse*
- 7) Encourage the most efficient use of taxpayer funds*



Empower Healthcare Solutions		POLICIES AND PROCEDURES	
Policy Number:	Category:	Page	
Title: Compliance with The Prior Authorization Transparency Act (Act 575 of 2023)	Original Date of Issue:		
Keyword Search:	Previous Date Approved:	Current Date Approved:	

8) *Operate under federal guidelines for patient rights*

A judicious Prior Authorization (“PA”) review program is necessary to administer the PASSE program in a manner which maintains compliance with Act 775. PA procedures are designed and administered to support the statutory objectives to help “slow or reverse Medicaid spending growth,” “discourage excessive use of services,” “reduce instances of waste, fraud, and abuse,” and “encourage the most efficient use of taxpayer funds.”

In addition to the regulatory considerations, there are additional elements of importance regarding support for utilization management and Care Coordination through prior authorization activities. PA preserves a critically important clinical information feedback loop in support of Care Coordination services provided to PASSE members by enabling Care Coordinators to support successful transitions in care, improve outcomes, and close gaps in care.

Through the PA process, PASSE Care Coordinators receive timely notification of certain outpatient services and inpatient admissions. This notification mechanism ensures that Care Coordinators maintain knowledge of the health status of the PASSE members they serve and provide care transition support before and after discharge. This type of clinical support furthers stated PASSE objectives to “improve the experience of health care,” as well as “enhance the performance of the broader healthcare system.”

Furthermore, the PASSE contract with the Arkansas Department of Human Services establishes certain Care Coordination performance requirements. One key PASSE contract standard requires Care Coordinators to follow up with enrolled members within seven (7) business days of an Emergency Room visit, discharge from a medical hospital, or discharge from an inpatient Psychiatric Unit. Full inpatient admissions require authorization within 24 hours, or 1 business day, of admission so that Care Coordination can be notified and assist with discharge planning and transition of care. Prior authorization or notification procedures are essential to maintain compliance with this PASSE contract performance standard.

Likewise, PASSEs require management and monitoring mechanisms to support the provision of fiscally responsible and appropriate care for Medicaid beneficiaries, helping to “slow or reverse spending growth.” Appropriate management procedures, including PA where appropriate, help manage growth in Medicaid expenditures within the PASSE program by enabling additional clinical review of more intensive services before they are delivered to the patient. AR Medicaid defines certain benefit limitations in which service levels beyond the limits require review and approval for an extension of those benefits when medically necessary. For certain services targeted to the PASSE population (i.e. Home and Community Based and Counseling Services), Empower administers higher benefit limits extending the point at which a provider must request review for medically necessary extension of benefits.



Empower Healthcare Solutions		POLICIES AND PROCEDURES	
Policy Number:	Category:	Page	
Title: Compliance with The Prior Authorization Transparency Act (Act 575 of 2023)		Original Date of Issue:	
Keyword Search:	Previous Date Approved:	Current Date Approved:	

Notwithstanding the prior considerations, this policy supports the intent of the PASSE exemption from the full regulatory scope of the Prior Authorization Transparency law, while reducing PA work volume and administrative tasks in a meaningful and appropriate manner.

[Arkansas Act 575 of 2023: To Amend the Prior Authorization Transparency Act](#)

[Arkansas Act 775 of 2017: To Create the Medicaid Provider-Led Organized Care Act](#)

[Empower Healthcare Solutions Prior Authorization List](#)

VI. ATTACHMENTS

VII. RESPONSIBILITY FOR IMPLEMENTATION

- Chief Medical Officer
- Sr. Director of Provider Engagement
- Sr. Director of Utilization Management

VIII. RESPONSIBILITY FOR MONITORING POLICY COMPLIANCE

- Chief Medical Officer
- Chief Operating Officer
- Vice President of Operations
- Sr. Director of Utilization Management
- Sr. Director of Provider Engagement