

Medicare Prior Authorization of Non-Emergent Hyperbaric Oxygen (HBO) Therapy Model

Status Update

(Posted 10-26-2018)

The Medicare Prior Authorization of Non-Emergent HBO Therapy Model began on March 1, 2015 for treatments occurring on or after April 13, 2015 in Michigan and on July 15, 2015 for treatments occurring on or after August 1, 2015 in Illinois and New Jersey. The model ended as scheduled on February 28, 2018, based on date of service.

Prior authorization does not create new clinical documentation requirements nor change any existing Medicare coverage policies. The Centers for Medicare & Medicaid Services (CMS) believes a prior authorization process helps make sure services are provided in compliance with applicable Medicare coverage, coding, and payment rules before services are rendered to the beneficiaries and before claims are submitted for payment.

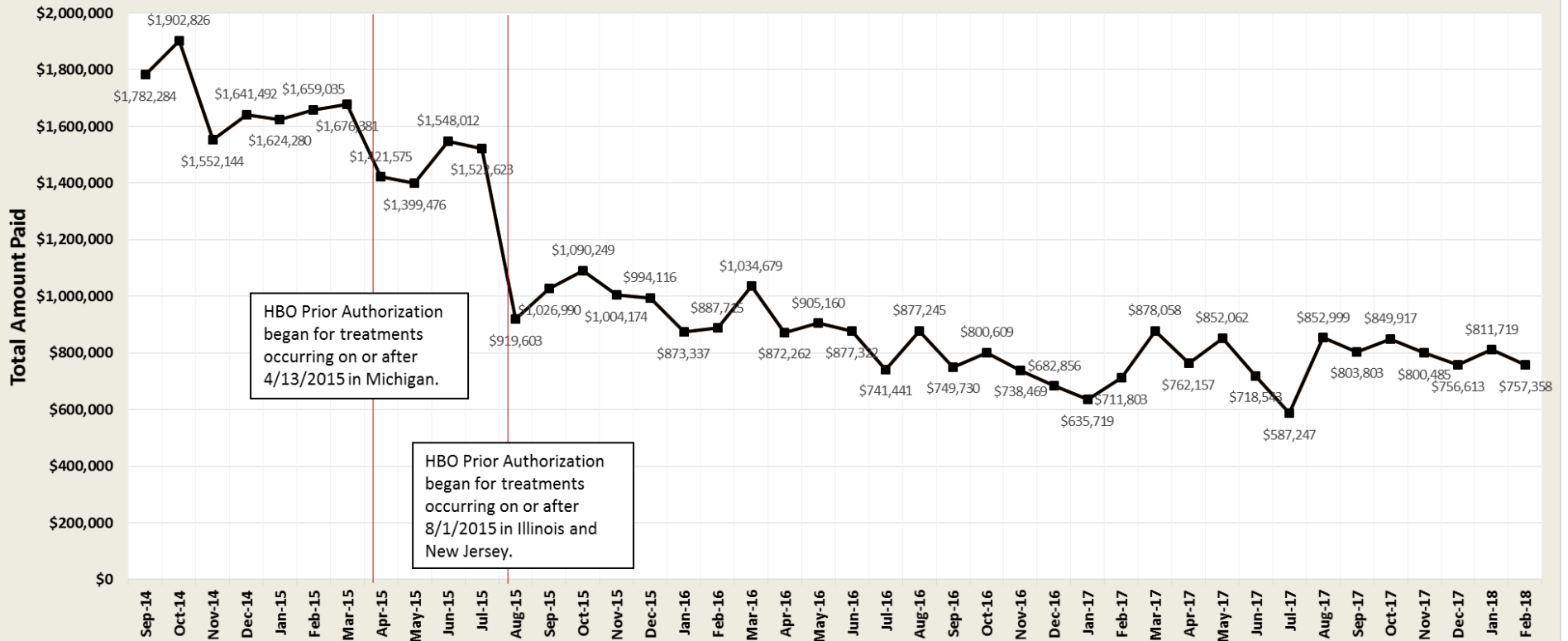
Data

As seen in the chart below, CMS observed a decrease in expenditures for outpatient HBO therapy in the model states since implementation.

CMS revised the methodology used to calculate estimated savings since the last status update, dated November 11, 2016,¹ to include all outpatient HBO therapy instead of only the non-emergent HBO therapy conditions. This revision was made due to the continual changes in diagnosis codes applicable to prior authorization, particularly the transition to the 10th revision of the International Classification of Diseases (ICD-10), the removal of comprised skin grafts from the model, and updates to the HBO therapy National Coverage Determination (NCD). The data below includes all outpatient HBO therapy, both emergent and non-emergent, as we believe this better represents the effect of the prior authorization model.

¹ https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Prior-Authorization-Initiatives/Downloads/HBOPriorAuth_StatusUpdate_111616.pdf.

Emergent and Non-Emergent Outpatient HBO Therapy: Total Amount Paid for G0277 & C1300 by Date of Service in the 3 Model States



3 Model States: Illinois, Michigan, and New Jersey

Claim Paid Date: Between 09/01/2014 and 08/03/2018

Note 1: Practitioners have up to one calendar year after the date of service to submit claims.

Note 2: The HBO procedure code changed from C1300 to G0277 on January 1, 2015.

Prior to the model, spending on outpatient HBO therapy in the model states averaged \$1.69 million per month. Since implementation, spending has decreased to an average of \$0.91 million per month. This is a difference of \$0.78 million per month. Multiplying \$0.78 million by the 35 months the model was operational equals a total reduction of \$27.3 million in outpatient HBO therapy expenditures.

CMS received and processed 4,675 prior authorization requests. Of those 4,675 requests, 2,604 were provisionally affirmed and 2,071 were non-affirmed. Submitters had unlimited opportunities to resubmit requests to include all necessary and relevant documentation needed for a provisionally affirmed decision. As the following table shows, affirmation rates increased as the model progressed and providers became more familiar with coverage and documentation requirements.

	Provisionally Affirmed	Non-Affirmed	Total Requests	Affirmation Rate
Year 1	802	830	1,632	49.1%
Year 2	920	661	1,581	58.2%
Year 3	882	580	1,462	60.3%
Total	2,604	2,071	4,675	55.7%

The independent evaluation, as required by Section 1115A of the Social Security Act, is ongoing. The first interim report can be found at <https://innovation.cms.gov/Files/reports/interimevalrpt-mpa-hbo.pdf>.