

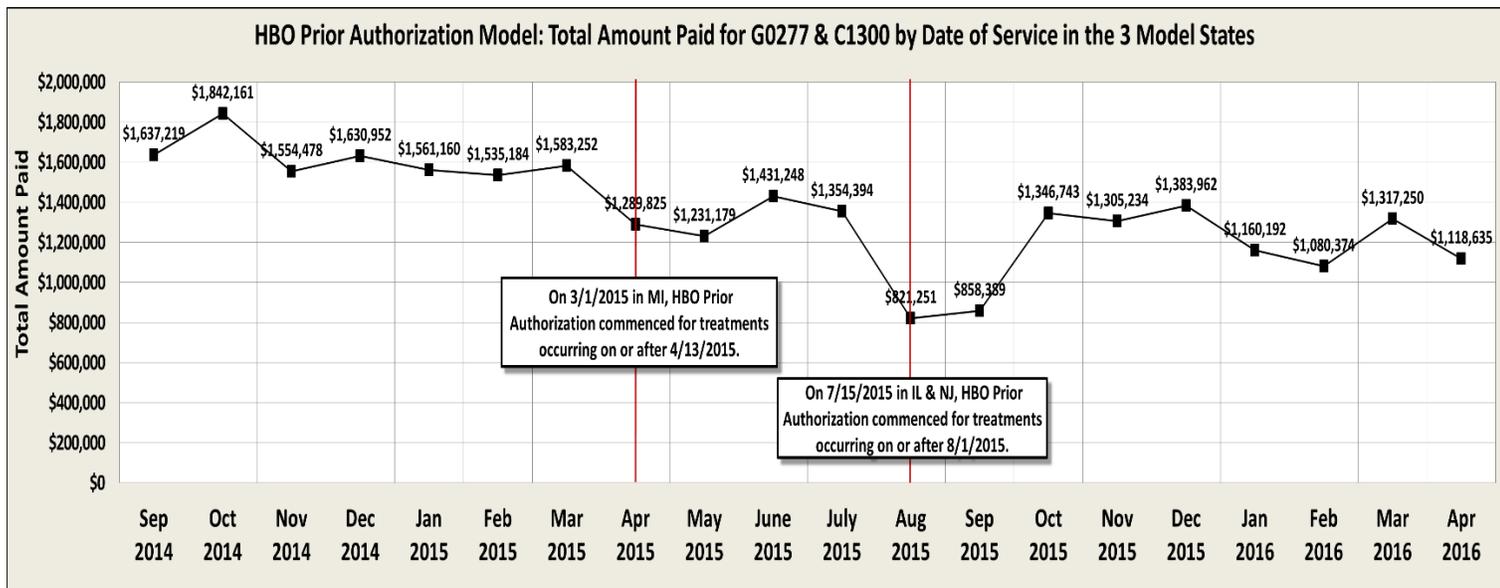
Medicare Prior Authorization of Non-Emergent Hyperbaric Oxygen (HBO) Therapy Model Status Update (Posted 11-16-2016)

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. Prior authorization does not create new clinical documentation requirements nor change any existing Medicare coverage policies.

The Centers for Medicare & Medicaid Services (CMS) believes using a prior authorization process will help 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.

Preliminary Data

As seen in the chart below, CMS has observed a slight decrease in expenditures for non-emergent HBO therapy in the model states since implementation. There was a temporary decrease in April and May of 2015 after prior authorization began in Michigan, and in August and September of 2015 after prior authorization began in Illinois and New Jersey. CMS believes that this was due to providers adapting to the new process, and that expenditures then increased as providers gained a deeper understanding of the prior authorization process and the documentation requirements for non-emergent HBO therapy.



3 Model States: Illinois, Michigan, and New Jersey

Claim Paid Date: Between 09/01/2014 and 07/13/2016

Note 1: Practitioners have up to one calendar year after the date of service to submit claims. Consequently, the total amounts paid for more recent months will generally continue to increase, as it can take up to 12 months for the claims figures to reach 100% completeness.

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

Prior to the model, spending on non-emergent HBO therapy in the model states averaged \$1.62 million per month. Since implementation, spending has decreased to an average of \$1.21 million per month. This is a difference of \$410,000. Multiplying \$410,000 by the 13 months the model has been operational equals a total reduction of \$5.33 million in non-emergent HBO therapy expenditures.

Since inception of the model through April 2016, CMS has received and processed 1,932 prior authorization requests. Of those 1,932 requests, 971 were provisionally affirmed and 961 were non-affirmed. Submitters have unlimited opportunities to resubmit requests to include all necessary and relevant documentation needed for a provisionally affirmed decision. Affirmation rates have increased in the recent months as providers better understand the prior authorization process and documentation requirements.

CMS will continue to closely monitor and evaluate the effectiveness of the program. An independent evaluation will be conducted as required by Section 1115A of the Social Security Act.