

## **HOSPITAL OUTPATIENT DEPARTMENT (OPD) PRIOR AUTHORIZATION (PA) EXEMPTION PROCESS**

Hospital Outpatient Departments (OPDs) who demonstrate compliance with Medicare coverage, coding, and payment rules related to prior authorization are eligible for exemption. This exemption would remain in effect for a six-month period or until CMS elects to withdraw the exemption. To be eligible, OPDs need to submit at least 10 prior authorization requests (PARs) during the previous review period and achieve a provisional affirmation threshold of at least 90 percent during a semiannual assessment. Notice of an exemption or withdrawal of an exemption will be provided at least 60 days prior to the effective date.

OPDs who do not qualify for exemption should continue submitting PARs as usual; there will be continued assessment of an OPD's compliance through their affirmation rates in February and August of each year. Exempt OPDs should not submit PARs during the exemption period: continued evaluation of their claim approval rate through additional documentation requests (ADRs) will occur on the following September 30 or April 2.

**Table 1: Cycle 1 (May 1 - November 1)**

<b>Date</b>	<b>Provider Activity</b>
February 1	MACs calculate the affirmation rate of the initial PARs sent September 1 and after. Exempt providers will be notified of an affirmation rate greater than 90 percent.
March 1	Exempt providers receive 60-day notice prior to the beginning of the exemption cycle.
May 1	The exemption cycle begins.  Exempt providers should not submit PARs.
September 30	Exempt providers will receive an ADR for a 10-claim sample from the period such providers were exempt to determine continued compliance.
December 17 (On or before)	Providers will receive a notice of withdrawal from exemption if applicable. Providers with less than a 90 percent claim approval rate during the post payment 10-claim review will be withdrawn and returned to the standard PA cycle.
February 15	Providers who did not meet the 90 percent claim approval rate will no longer be exempt and are required to submit PAs.
March 1	Providers who are no longer exempt must have an associated PA for any claim submitted on or after March 1. Providers who achieved 90 percent or greater claim approval rate during post payment review are notified of continued exemption effective May 1.

**Table 2: Cycle 2 (November 1 - May 1)**

Date	Provider Activity
August 1	MACs calculate the affirmation rate of the initial PARs sent May 1 and after. Exempt providers will be notified of an affirmation rate greater than 90 percent.
September 1	Exempt providers receive 60-day notice prior to the beginning of the exemption cycle.
November 1	The exemption cycle begins.  Exempt providers should not submit PARs.
April 2	Exempt providers will receive an ADR for a 10-claim sample from the period such providers were exempt to determine continued compliance.
June 19 (On or before)	Providers will receive a notice of withdrawal from exemption if applicable. Providers with less than a 90 percent claim approval rate during the post payment 10-claim review will be withdrawn and returned to the standard PA cycle.
August 18	Providers who did not meet the 90 percent claim approval rate will no longer be exempt and are required to submit PAs.
September 1	Providers who are no longer exempt must have an associated PA for any claim submitted on or after March 1. Providers who achieved 90 percent or greater claim approval rate during post payment review are notified of continued exemption effective May 1.

## 10 Claim Sample Additional Documentation Requirements (ADRs)

Exempt OPDs will receive an ADR for a 10 post-pay claim sample from the period in which they were exempt. OPDs have 45 days to submit documentation, and MACs will complete their review within 30 days of receipt of the requested documentation. OPDs who submit additional documentation after the initial 45-day response timeframe will not have their compliance rate changed if the MAC has already finalized their compliance rate and sent notification to the OPD. The MAC will still review late documentation, issue a review determination, and make a claim adjustment, if necessary. Claim denials are subject to the normal appeals process; however, overturned appeals will not change the OPD's exemption status. Following the 10-claim sample review, OPDs will be notified whether they remain exempt or transition back to submitting PARs. If the OPD goes back to Prior Authorizations, they will begin submitting PAR's 60 days after the notification letter (as early as February 15 or August 18).

Reference: [OPD Operational Guide](#)

## Prior Authorization Exemption Process Frequently Asked Questions (FAQ)

### **Q1: How many days' notice will I receive before I switch from Prior Authorization Request (PAR) submissions to an exemption cycle?**

A1: Medicare Administrative Contractors (MACs) will provide a 60-day notice prior to any transition period, continuation, or withdrawal from exemption.

### **Q2: I received a letter stating that I am starting exemption. What do I do now?**

A2: PARs should not be submitted and will be rejected during the exemption cycle starting May 1 or November 1. Claims submitted while on exemption will not require a unique tracking number (UTN). Please follow the instructions in the exemption notification letter.

### **Q3: I received a letter stating I am now withdrawn from exemption? What do I do now?**

A3: Providers will resume submitting PARs beginning February 15 or August 18 based on your cycle. Your PAR affirmation rate will be monitored for the next exemption cycle.

### **Q4: Why are my PARs being rejected while on exemption?**

A4: PARs are not required while a provider is on exemption, therefore any PAR submitted will be returned with a rejection decision.

### **Q5: During the exemption timeframe how do I bill PA claims without a UTN?**

A5: The exemption period is based on the date of receipt of the claim. During the exemption cycle, exempt providers can bill their claims, which normally require Prior Authorization, without a UTN. Any PA services that were performed during the exemption period must be billed prior to the end of the exemption period to prevent denial of the claim for having no UTN.

*For example: if you are exempt during cycle 1, beginning May 1, you will no longer submit PARs. If you receive Notification of Withdrawal by December 17, then all claims billed with prior authorization services (without a UTN) during the exemption period needs to be submitted before March 1.*

### **Q6: Towards the end of the exemption cycle the MAC conducts a 10-claim post payment review. How are the claims selected?**

A6: The 10-claim sample is based on claims subjected to the OPD Prior Authorization Program submitted during the exemption period. This means that the claims selected will be from the timeframe in which you were exempt.

*For example: If your exemption cycle started May 1, any claims billed between May 1 and September 30 are eligible for the post payment review.*

**Q7: Does the exemption process exempt providers from all OPD PA services?**

A7: Yes. If you receive a notice of exemption, it applies to all services under the OPD PA program.

**Q8: If an exempt provider submits a PAR on April 21, 2021 but it is non-affirmed and the provider then becomes exempt on May 1, 2021, does the provider need to do a resubmission? Will that resubmission reject if it is past the exempt start date?**

A8: You do not need to resubmit if the procedure is performed after the start of the exemption period. If you do resubmit the PAR on or after May 1, 2021 it would be rejected.

**Q9: I submitted a claim with a UTN while I was exempt, and it was removed. Why?**

A9: UTNs are not required on claims from exempt providers. If a claim was submitted with a UTN during the exemption period, the MAC will remove the UTN and allow the claim to process.

**Q10: If I am an exempt provider, but during the evaluation period it is determined that I no longer meet the requirements to remain exempt, when do I need to resume submitting PARs and begin adding the UTN to my claims?**

A10: Any PA services that were performed during the exemption period must be billed prior to the end of the exemption period to prevent denial of the claim for having no UTN. Any claim that is billed after the exemption period ends needs to have a UTN regardless of the dates of service.

Please see examples below:

**Table 3: Examples of when a UTN is required**

Date of Service	Claim Submitted Date	UTN Required
Procedure was done February 1	Claim was submitted February 14	NO - this claim was submitted while the provider was still exempt.
Procedure was done January 15	Claim was submitted March 1	YES - UTN would be required. This claim was submitted after the exemption period.

**Q11: What does it mean to opt out of exemption?**

A11: CMS has established a rule that allows providers to remain in the standard cycle and continue to submit PARs if they wish. Providers will receive a notice of exemption if they met the 90 percent or greater threshold with PAR submission. Attached to the letter will be an opt out form for providers. The form must be submitted to your MAC by October 1, if starting exemption November 1, and April 1, if starting exemption on May 1. Late requests will not be granted.

**Q12: What are ADRs?**

A12: Additional Documentation Requests: ADRs are issued based on a specific claim submitted to your MAC. The ADR will specify the beneficiary and date of service and include a list of suggested documentation for a particular service to submit to your MAC that would support payment of your claim.

**Q13: How many claims will be selected for ADR review?**

A13: Your MAC will randomly select 10 post-payment claims for the ADR review.

**Q14: What is the ADR timeline?**

A14: There are two dates that ADRs could be issued depending on which exemption cycle you are in: September 30 OR April 2. The provider has 45 days to submit the documentation and the MAC has 30 days to review the documentation and make a determination. Notification of withdrawal will be sent out no later than December 17 or June 19.

**Table 4: ADR Timeline**

Cycle	ADR Request Start Date	Provider Activities	Notification of Withdrawal Date	Claim Approval Fate Factors
Cycle 1	September 30	<p>Exempt providers will start receiving ADR requests-a random selection of 10 post-pay claims billed during the exemption period</p> <ul style="list-style-type: none"> <li>▪ Provider has 45 days to submit documentation</li> <li>▪ MAC has 30 days to review</li> </ul>	December 17	Notification of withdrawal (less than 90 percent claim approval rate)

Cycle	ADR Request Start Date	Provider Activities	Notification of Withdrawal Date	Claim Approval Fate Factors
Cycle 2	April 2	<p>Exempt providers will start receiving ADR requests-a random selection of 10 post-pay claims billed during the exemption period</p> <ul style="list-style-type: none"> <li>▪ Provider has 45 days to submit documentation</li> <li>▪ MAC has 30 days to review</li> </ul>	June 19	Notification of withdrawal (less than 90 percent claim approval rate)