

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

Noridian will assess hospital outpatient departments (OPDs) that submit prior authorization requests (PARs) on an annual basis. OPDs that demonstrate compliance with Medicare coverage, coding, and payment rules related to the prior authorization program are eligible for exemption status.

OPDs that qualify for exemption status will remain exempt for the 12-month period as outlined in the letter given to the OPD or until CMS elects to withdraw the exemption.

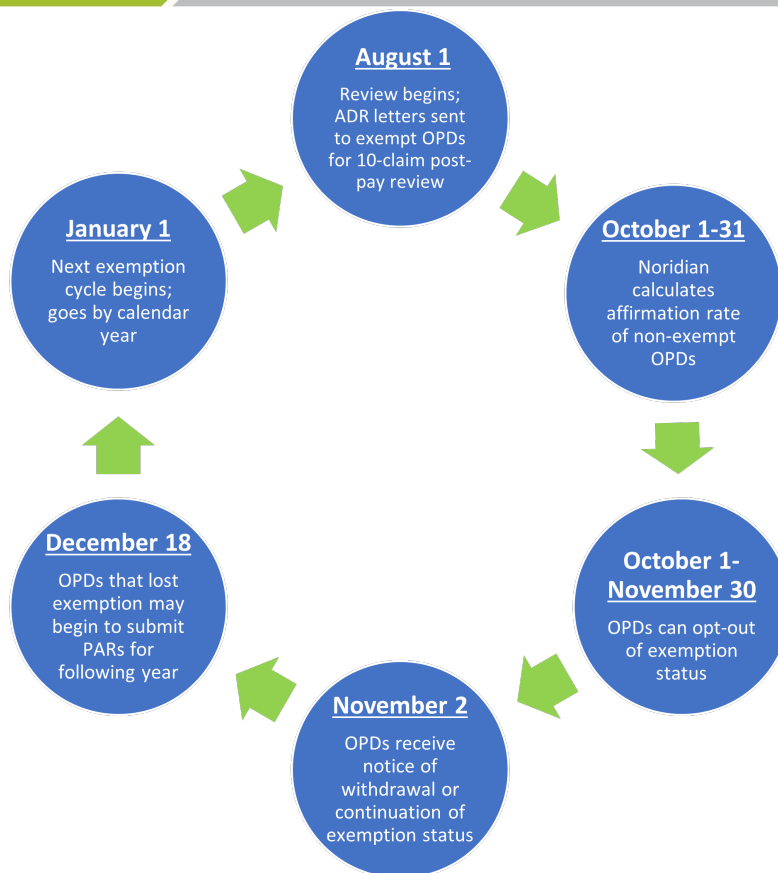
During the year of earned exemption status, the exempt OPD will need to participate in a 10-claim selection additional documentation request (ADR) so that ongoing compliance of the OPD can be assessed. The results of the 10-claim assessment may lead to continuation or withdrawal of exemption status for the following calendar year.

### Exemption Process Timeline

Date	Activity
January 1	<p>OPDs that already earned exemption status for this year need not to submit PARs. Any PARs submitted by an exempt OPD will be rejected.</p> <p>Non-exempt OPDs are still required to submit PARs as usual.</p>
August 1 <i>Review begins; ADR letters sent to exempt OPDs for 10-claim post-pay review.</i>	<p>OPDs that already earned exemption status for this year will receive an ADR for a random 10-claim post-pay review. Claim samples are selected from dates of service during the exemption period. OPDs must have at least 10 claims submitted and paid by June 30<sup>th</sup> to be eligible for this selection. If less than 10 claims are submitted, their exemption status will be withdrawn.</p> <p>OPDs have 45 days to submit documentation, and Noridian has 45 days to review after documentation is submitted.</p>
October 1 <i>Noridian calculates affirmation rate of non-exempt OPDs.</i>	<p>Noridian will calculate the affirmation rate of the “initial” PARs for non-exempt OPDs in all service categories combined for the current calendar year.</p> <p>OPDs non-exempt during the current calendar year that earned an affirmation rate of 90 percent or greater on the “initial” PARs submitted will then earn exemption status for the following calendar year.</p>

Date	Activity
<p>October 1- November 30</p> <p><i>OPD can opt-out of exemption status.</i></p>	<p>OPDs have the option to opt out of the exemption process and either lose or not obtain status for the following calendar year.</p> <p>Providers that choose to opt out of the exemption process must submit an opt-out request to Noridian no later than November 30<sup>th</sup>. Late submissions will be rejected.</p>
<p>November 2</p> <p><i>OPDs receive notice of withdrawal or continuation of exemption status.</i></p>	<p>OPDs will receive a <b>Notice of Withdrawal of Exemption</b> if they:</p> <ul style="list-style-type: none"> <li>• Receive less than 90 percent claim approval from their 10-claim post-pay review</li> <li>• Failed to have a minimum of 10 claims to review for the ADR</li> </ul> <p>OPDs will receive a <b>Notice of Continued Exemption</b> if they:</p> <ul style="list-style-type: none"> <li>• Receive 90 percent or greater claim approval from their 10-claim post-pay review</li> </ul>
<p>December 18</p> <p><i>OPDs that lost exemption may begin to submit PARs for the following year.</i></p>	<p>OPDs who lost their exemption status for the following calendar year may start submitting PARs in advance of January 1st to avoid delay in timeliness of procedures scheduled in the following calendar year.</p>
<p>January 1 (Following Year)</p> <p><i>Next exemption cycle begins; goes by calendar year.</i></p>	<p>OPDs that already earned exemption status for this year do not need to submit PARs. Any PARs submitted by an exempt OPD will be rejected.</p> <p>Non-exempt OPDs for this calendar year are required to submit PARs as usual.</p>

## Exemption Process Flow Chart



## Recap

For OPDs who are not exempt, CMS will continue assessing a provider’s compliance through their PAR submission affirmation rates starting January of each year.

For exempt OPDs, CMS will continue to evaluate their claim approval rate through ADRs sent on August 1 of each year.

## Prior Authorization (PA) Exemption Process Questions and Answers

**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: OPDs may resume submitting PARs beginning December 18<sup>th</sup> for procedures scheduled to take place the following calendar year. Your PAR affirmation date will be monitored for the next exemption cycle.

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

A4: PARs are not required while an OPD facility is on exemption, therefore any PAR submitted will be returned with a rejection decision. PARs should not be submitted for the purpose of obtaining a rejection letter for medical record keeping.

**Q5: How do I bill PA claims without a UTN during the exemption period?**

A5: PA services that were performed during the exemption period should follow the same billing practices used prior to the start of the exemption period. Applying previously used UTNs or invalid UTNs may delay processing of your claim.

**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 claim dates of service during the exemption period. This means that the claims selected will be from the timeframe in which you were exempt.

**Q7: Does the exemption process exempt the OPD facility from all OPD prior authorization services?**

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

**Q8: If an exempt provider submits a PAR on December 21<sup>st</sup> but it is non-affirmed and the provider then becomes exempt on January 1<sup>st</sup>, does the provider need to resubmit the PAR? 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 January 1<sup>st</sup>, it will be rejected.

**Q9: If I am part of an exempt OPD facility, but during ADR review, it is determined that I no longer meet the requirements to remain exempt, when do I need to resume submitting PARs and begin adding a UTN to my claims?**

A9: MACs will start accepting PARs from OPD facility who are withdrawn from exemption on December 18<sup>th</sup>. Claims with dates of service on or after January 1<sup>st</sup> require a UTN for non-exempt providers.

**Q10: What does it mean to opt-out of exemption?**

A10: CMS has established a rule that allows OPD facility to remain in the standard cycle and continue to submit PARs. The OPD facility will receive a notice of exemption if they achieved a greater than 90% PAR affirmation rate. An opt-out form will be included with the exemption

notification letter. The form must be submitted to the MAC by November 30<sup>th</sup>. Late requests will be rejected.

**Q11: What are ADRs?**

A11: 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.

**Q12: How many claims will be selected for ADR review?**

A12: Your MAC will randomly select ten post-payment claims for the ADR review.

**Q13: What is the ADR timeline?**

A13: The first ADR for exempt providers will be sent on August 1<sup>st</sup>. The OPD facility has 45 days to submit the documentation and the MAC has 45 days to review the documentation and make a determination. Notification of withdrawal will be sent out no later than November 2<sup>nd</sup>.