



For Immediate Release

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Hospitals, Physicians and Health Plans Take Major Step to Simplify Health Care
Standardized Prior Authorization Form Will Reduce Amount of Time Providers Spend on Paperwork
Legislative & Business Leaders Laud Effort to Reduce Administrative Cost and Complexity

Boston, MA – In an effort to reduce the amount of time and paperwork physicians, hospital staffs and other providers spend in completing various forms for selected services that require prior authorization, the Massachusetts Association of Health Plans, the Massachusetts Medical Society, Blue Cross and Blue Shield of Massachusetts, and the Massachusetts Hospital Association unveiled a standardized form to be accepted by health plans.

"Reducing complexity and unnecessary administrative costs is an important step towards improving the efficiency and quality of the health care system," said Lora Pellegrini, President and CEO of the Massachusetts Association of Health Plans. "Today's announcement demonstrates that by working together, health plans, hospitals, and physicians can address the serious challenges facing the health care system and make health care better, simpler and more cost-effective."

"This voluntary effort by our organizations is paying off, with one goal accomplished and numerous other administrative simplification efforts in the pipeline," said Lynn Nicholas, President & CEO of the Massachusetts Hospital Association (MHA).

Over the last two years, the four organizations, through the Massachusetts Health Care Administrative Simplification Collaborative, a voluntary entity focused on measures to strengthen and simplify Massachusetts health care administration, have worked on a number of initiatives to improve administrative efficiency, eliminate waste, and promote standardization. In addition to developing the standard prior authorization form, other administrative simplification initiatives have included:

- Streamlining the eligibility and eligibility verification process. This has included the development of a training program designed to educate providers on both the importance and the mechanics of eligibility verification. Other eligibility efforts will focus on aligning new requirements under federal health reform, including operating rules that will be effective in 2013.
- Standardizing the provider appeals process for denied claims appeals. In addition to a uniform claims review form launched in June of 2011, the effort has included the development of standard definitions and reference guide, with ongoing efforts to refine and improve the process.

"This is an important step toward simplifying our health care system, and we still have a lot more work to do," said Lynda Young, M.D., president of the Massachusetts Medical Society. "There's no better time than the present to take a hard look at everything we do in health care, and eliminate every process that adds little value to the delivery of quality care to our patients."

"Blue Cross is committed to simplifying the health care experience for our provider partners and our members," said Bruce Bullen, Chief Operating Officer at Blue Cross Blue Shield of Massachusetts. "The efforts of the Massachusetts Health Care Administrative Simplification Collaborative demonstrate that by working together we can make high quality health care easier, more affordable and more sustainable for our community."

The standardized paper form will provide a uniform method for providers to use in submitting prior authorization requests. In developing the standardized form, the groups determined that there were more than 170 variations of prior authorization forms used by health plans, covering a variety of services. The standardized form will significantly decrease the number of forms, helping to reduce the amount of time that physicians, hospital staffs and other providers spend in determining which forms to use for various plans and will encompass the following services:

- Ambulatory/Outpatient Services, including medical services provided in an outpatient setting;
- Ancillary Services, such as Acupuncture, chiropractic, infertility, and other specialist care;
- Dental Services;
- Durable Medical Equipment;
- Home Health/Hospice Care;
- Inpatient/Observation Care;
- Nutrition Counseling;
- Outpatient Therapy, such as occupational, physical, pulmonary or cardiac, and speech therapy services; and
- Transportation Services, including non-emergent ground and non-emergent air models of transportation, such as ambulances.

The form will be available online beginning May 15 and will be accessible through HealthCare Administrative Solutions (HCAS). Prior authorization requests to individual health plans will still require the necessary clinical documentation to support the request. An accompanying reference guide provides information regarding specific clinical documentation requirements for each health plan. Moving forward, the group will evaluate the feasibility of developing standardized forms for other services, including mental health, radiology, and pharmacy services, as well as other measures to further streamline the prior authorization process.

Legislative and business leaders lauded the agreement. "As we outlined in our payment reform bill last week, which included provisions to promote administrative simplification, I'm pleased that our doctors, hospitals and health plans are working on these efforts and will continue working together to address administrative costs," said Rep. Steven M. Walsh (D-Lynn), House chair of the Joint Committee on Health Care Financing.

"I'm very pleased that the health plans are moving forward on this important advance that will streamline physician and patient efforts to get the health care they need in a timely manner," said Sen. Richard T. Moore (D-Uxbridge), Senate chair of the Joint Committee on Health Care Financing.

"Lowering employer health care costs is AIM's top priority. Simplifying administrative procedures, such as prior authorization, will help to reduce inefficiencies in the system and ultimately reduce costs," said Rick Lord, President and CEO of Associated Industries of Massachusetts. "I am encouraged by the work of the collaborative and look forward to future reforms like this that will result in lower health insurance costs for employers and their employees."

"Employers are the major purchaser of health care in the Commonwealth and reducing health care costs is a major priority for small businesses," said Bill Vernon, Massachusetts State Director for the National Federation of Independent Business. "Reducing unnecessary costs is one of many important steps needed to making health care more affordable in Massachusetts."

Participating health plans include

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| • Aetna | • Health New England |
| • Blue Cross Blue Shield of Massachusetts | • Neighborhood Health Plan |
| • Boston Medical Center HealthNet Plan | • Network Health |
| • Fallon Community Health Plan | • Tufts Health Plan |
| • Harvard Pilgrim Health Care | • UniCare |
| • CeltiCare Health Plan of Massachusetts | • UnitedHealthCare |

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