

**LSU HEALTH CARE SERVICES DIVISION
BATON ROUGE, LOUISIANA**

POLICY NUMBER: 3003-13

CATEGORY: Information Processing

CONTENT: Utilization Management Policy

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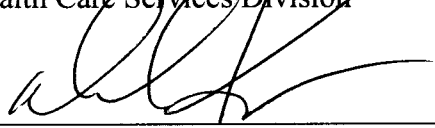
Interim Chief Executive Officer
LSU Health Care Services Division

3/8/13
Date



Deputy Chief Executive Officer
LSU Health Care Services Division

3/8/13
Date



Chief Medical Officer
LSU Health Care Services Division

3/8/13
Date

**LSU-HCSD
UTILIZATION MANAGEMENT PLAN**

I. Authority

The responsibility for the Utilization Management Plan is delegated to the Administration of the LSU-HCSD, particularly the senior executive staff. These individuals perform this responsibility in accordance with the provisions of this plan, the requirements of all regulatory agencies and the Louisiana Health Care Review. The functions, related policies and procedures are to be carried out by each hospital's medical staff in conjunction with the administrator and the UM Committee. The hospital's leadership staff will monitor the activities and report any significant findings to the HCSD Senior Executive Staff on a quarterly basis.

Each hospital's Chief Executive Officer will insure the appropriate administrative support is provided to execute the plan within each facility.

II. Purpose and Objective

The purpose of this Utilization Management Plan is to guide the LSU-HCSD health care facilities in the appropriate allocation of the System's resources toward providing quality patient care in the most cost-effective manner.

- A. To decrease fragmentation of care and promote coordinated care across the continuum.
- B. To reduce health care costs by reducing recidivism, length of stay, complications and aid in preventing inappropriate hospitalizations and delays in discharge.
- C. To insure outpatient and inpatient procedures provided are necessary, appropriate, and consistent with patient needs and professionally recognized standards of health care.
- D. To analyze process and outcome indicators and make recommendations to improve the effectiveness and efficiency of care provided.
- E. To comply with local, state and federal laws concerning healthcare Utilization Management.

- F. To provide coordination with other hospital departments and functions, both clinical and non-clinical, to promote the collection of any revenues due from services provided to patients.
- G. To ensure appropriate procedures are in place for obtaining pre-certifications, admit authorizations, referrals and continued stay certifications.

III. Scope

- A. All facilities and respective patients, regardless of financial class, are included in this plan.
- B. **The** activities will be available 24 hours per day/7days a week, and completed in the designated time frame to ensure all appropriate reimbursement.

IV. Administrative Requirements/Reporting Committee

LSU-HCSD personnel understand according to the Centers for Medicare & Medicaid Services (CMS), formerly HCFA, Hospital Manual, Chapter II a hospital specific Utilization Review Committee is required only in the absence of a Peer Review Organization (**PRO**), which has assumed binding review. Louisiana's PRO, Louisiana Health Care Review, has assumed binding review. Each facility however, must establish a reporting mechanism to address Utilization Management issues other than PRO related. Each facility is to have a Utilization Management Committee.

- A. **Membership:** This Committee will be composed of at least 2 physicians and assisted by other disciplines as appropriate. At a minimum, the membership will include representatives from Nursing, Administration, Fiscal, Social, Admissions **and Utilization Management.**
- B. **Chairperson:** The designated physician advisor for the Utilization Management Committee will be the Chairperson.
- C. **Function:** The Utilization Management Committee will assess the necessity of patient admissions, appropriate use of resources, need for continued stay and timeliness of discharge planning. In addition, it will focus on those diagnoses, departments, procedures, and/or practitioners with identified or suspected utilization problems. **No person may participate in the review of any care in which he/she has been professionally involved; is directly responsible for the patient; whose care is being reviewed or who has a financial interest in the facility.** The Committee will have the authority to review medical records and other pertinent information for a thorough review.

The Utilization Management Committee will incorporate Medical Care Evaluation Studies to identify the most effective and efficient use of available health facilities and services consistent with patient needs and professionally recognized standards of health care.

(1) The Committee determines the method to be used in selecting and conducting the medical care evaluation study in the hospital, (2) documents for the study, the results and how the results have been used to make changes to improve the quality of care and promote more effective, efficient use of facilities, services; (3) Analyzes the findings of the study and (4) takes action as needed to correct or investigate further any deficiencies or problems in the review process for admissions or continued stay cases.

The hospital must have at least one study in progress at any time. A minimum of one study must be completed annually.

V. **MEETINGS**

The Utilization Management Peer Review Committee will meet on a quarterly basis and/or more frequently if deemed necessary by the chairman.

V. **Utilization Management Requirements:**

The Administration of LSU-HCSD, particularly the individuals listed in Section I, IV A, B of this document, have no interest in micro-managing the utilization functions at each facility. Each facility has its own working personality. Regardless of what department or service director the UM reports, the UM program requirements at each facility are as follows:

- A. The Utilization Management Plan/program is specific to its facility and addresses review procedures, reporting of variances, authority, and coverage of mandated duties.
- B. The UM program incorporates a policy, procedure noting operation of the plan is 24 hours per day, 7 days a week.
- C. The UM program has a reporting mechanism to address UM issues within the facility.
- D. The UM program incorporates a policy, procedure on “conflict of interest” and “confidentiality” of Committee members.
- E. The UM program incorporates a policy, procedure that explains the review process using Interqual Criteria. **The** document must include an **ongoing** review, pre-admission review, as well as admission review at each point of entry i.e., Emergency Department, Outpatient Surgery, Clinics, transfers from other facilities etc. **The** reviews must include the

appropriateness of Observation status, as well. The review process is to also include concurrent review for continued stay and appropriate discharge criteria.

- F. The UM program must include a designated physician advisor for immediate Utilization Management concerns.
- G. The UM program must include a mechanism for reporting variances to the physician advisor, as well as the UM Committee.
- H. The UM program must incorporate a policy and procedure for notification of adverse decisions by the physician advisor and/or Committee, such as hospital issuance of **Medicare's notification of non-coverage for inpatient hospital services - "Detailed Notice of Discharge,"** as mandated by CMS.
- I. The UM program must incorporate policy and procedures for carrying out the requirements of Senate Bill 807 that regulates the procedures of making medical necessity determinations by a Medical Necessity Review Organization (MNRO).
- J. The UM program must incorporate policy, procedure for following the Utilization Management compliance for Payment Error Prevention Program (PEPP) as directed by the Louisiana Health Care Review.
- K. The UM program must incorporate a mechanism for reviewing, disseminating updated information to all concerned parties and received from **Federal, State Regulatory Agencies** and other governing agencies, as well as establishing policy and procedures in complying with the requirements.
- L. The UM program must incorporate procedures for reviewing, updating the UM Plan on a regular basis and formulating, complying with existing policy and procedure.
- M. The Utilization program personnel will work cohesively with Case Management, Disease Management, Care Management, Social Service, and other ancillary departments to carry out the expectations of this plan.
- N. Policy and procedure for carrying out the requirements of any patient's insurer or health plan with respect to Utilization Review are necessary to assure payment for services.

VI. **Review of the LSU-HCSD Utilization Management Plan:** This plan will be reviewed and revised as needed at least annually and/or revisited as new, revised amended regulations, rules, guidelines are developed.