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North Sound Behavioral Health Administrative Services Organization, LLC

Section 1500 – Clinical: Utilization Management Requirements

Authorizing Source: HCA Contract
Approved by: Executive Director Date: 7/7/2027 Signature:

POLICY # 1594.00

SUBJECT: UTILIZATION MANAGEMENT REQUIREMENTS

PURPOSE
To provide an overview of the Utilization Management Requirements for North Sound Behavioral Health Administrative Services Organization (BH-ASO).

POLICY
The North Sound BH-ASO Utilization Management Program ensures that behavioral health services are medically necessary, appropriate, and delivered in the most effective setting. The program promotes efficient use of resources, protects individual rights, and ensures consistent application of clinical criteria. Clinical criteria used in North Sound BH-ASO Utilization Management decisions are reviewed and approved by the North Sound BH-ASO's Medical Director and the Internal Quality Management Committee (IQMC).

North Sound BH-ASO applies standardized clinical criteria to ensure consistent utilization management determinations. Individuals have the right to appeal adverse authorization determinations as described in *Policy 1001 Grievance and Appeal System*.

North Sound BH-ASO has Utilization Management (UM) information integrity policies and procedures, audits UM information for inappropriate documentation and updates and implements corrective actions that address identified information integrity issues as outlined in *Policy 1599.00 Utilization Management Information Integrity.*

DEFINITIONS
Concurrent Utilization Review: Review of an individual's care during an episode of care. Concurrent review focuses on the efficient allocation of appropriate, medically necessary resources during an episode of care. Concurrent review helps to determine whether delivery options for the most appropriate, medically necessary care are available, and whether individuals are improving as a result of the treatment being delivered.

Expedited Authorization Decisions: For timeframes for authorization decisions not described in inpatient authorizations or standard authorizations, or cases in which a provider indicates, or North Sound BH-ASO determines, that following the timeframe for standard authorization decisions could seriously jeopardize the Individual's life or health, or ability to attain, maintain, or regain maximum function, North Sound BH-ASO shall make an expedited authorization decision and provide notice as expeditiously as the Individual's condition requires.

Prospective Utilization Review: Review which occurs before care is delivered. Prospective review focuses on eligibility and medical necessity screening prior to the provision of requested services. This type of review also allows for referral to possible alternative services as appropriate. Also referred to as prior authorization review.

Retrospective Utilization Review: Review which occurs after an episode of care has ended. Retrospective review focuses on the efficient allocation of appropriate, medically necessary resources during an episode of care. Retrospective review also evaluates appropriate discharge planning to include timely discharge from services.

Utilization Management (UM): Quality Management (QM) process that addresses appropriateness of services (i.e., is the individual receiving what they need, when they need it and not receiving what they do not need when they do not need it).

Notification Only: Emergent, unplanned admissions to acute inpatient behavioral health facilities do not require prior authorization but do require notification of the admission within 24 hours or next business day.

PROCEDURES

1. North Sound BH-ASO Behavioral Health Medical Director will provide guidance, leadership and oversight of the Utilization Management (UM) program for contracted services. The following activities may be carried out in conjunction with the administrative staff or other clinical staff, but are the responsibility of the Behavioral Health Medical Director to oversee:

    a. Processes for evaluation and referral to services.
    b. Review of consistent application of criteria for provision of services within available resources and related grievances.
    c. Review of assessment and treatment services against clinical practice standards. Clinical practice standards include, but are not limited to, evidenced-based practice guidelines, culturally appropriate services, discharge planning guidelines and activities, such as, coordination of care among treating professionals.
    d. Monitor for over- and under-utilization of services, including Crisis Services.
    e. Ensure resource management and UM activities are not structured in such a way as to provide incentives for any individual or entity to deny, limit, or discontinue medically necessary behavioral health services.

2. North Sound BH-ASO will develop and implement UM protocols for all services funded solely or in part through General Fund State (GFS) or Federal Block Grant (FBG) funds. The UM protocols will comply with the following provisions:

    a. Must have policies and procedures that establish a standardized methodology for determining when GFS and FBG resources are available for the provision of behavioral health services. The processes and methodology will include the following components:

        i. An aggregate of spending across GFS and FBG fund sources under the Contract.
        ii. For any case-specific review decisions, will maintain UM Criteria for making authorization, continued stay and discharge determinations. The UM Criteria will address GFS and Substance Abuse Block Grant (SABG) priority population requirements.
        iii. North Sound BH-ASO will use the six dimensions of the American Society of Addiction Medicine (ASAM) Criteria to inform placement decisions for all SUD services.
        iv. A plan to address under or over utilization patterns with providers to avoid unspent funds or gaps in service at the end of a contract period due to limits in available resources.
        v. Education and technical assistance to address issues related to quality of care, medical necessity, timely and accurate claims submission, or aligning service utilization with

allocated funds to avoid disruption in service or unspent funds at the end of a contract year.

vi. Corrective action with providers, as necessary, to address issues regarding compliance with state and federal regulations or ongoing issues with patterns of service utilization.

vii. A process to make payment denials and adjustments when patterns of utilization deviate from state, federal, or Contract requirements (e.g., single source funding).

b. Will monitor provider discharge planning to ensure providers meet requirements for discharge planning.

3. Will educate UM staff in the application of UM protocols including the criteria used in making UM decisions. UM protocols shall take into account the greater and particular needs of diverse populations, as reflected in Health Disparities, risk factors (such as ACEs for Individuals of any age), Historical Trauma, and the need for Culturally Appropriate Care.
4. Will ensure all UM staff making service authorization decisions have been trained in working with the specific area of service which they are authorizing and managing and the needs and clinical risk factors of diverse populations. .
5. Policies and procedures related to UM will comply with and require the compliance of subcontractors with delegated authority for UM requirements described in this section.
6. Authorization reviews will be conducted by licensed Behavioral Health Professionals with experience working with the populations and/or settings under review.

    a. Will have UM staff with experience and expertise in working with individuals of all ages with SUD and who are receiving medication assisted treatment (MAT).

7. Actions including any decision to authorize a service in an amount, duration, or scope that is less than requested will be conducted by:

    a. A physician board-certified or board-eligible in psychiatry or child and adolescent psychiatry;
    b. A physician board-certified or board-eligible in addiction medicine, a subspecialty in addiction psychiatry; or
    c. A licensed, doctoral level clinical psychologist.

8. The North Sound BH-ASO will ensure any behavioral health clinical peer reviewer who is subcontracted or works in a service center other than the North Sound BH-ASO Washington State service center will be subject to the same supervisory oversight and quality monitoring as staff located in the Washington State service center. This includes participation in initial orientation and at least annual training on Washington State specific benefits, protocols, and initiatives.
9. The North Sound BH-ASO will ensure any behavioral health actions must be peer-to-peer, that is, the credential of the licensed clinician making the decision to authorize service in an amount, duration, or scope that is less than requested must be at least equal to that of the recommending clinician. In addition:

    a. A physician board-certified or board-eligible in psychiatry must review all inpatient level of care actions (denials) for psychiatric treatment.
    b. A physician board-certified or board-eligible in addiction medicine or a subspecialty in addiction psychiatry, must review all inpatient level of care actions (denials) for SUD treatment.

10. North Sound BH-ASO shall not structure compensation to individuals or entities that conduct UM activities so as to provide incentives for the individual or entity to deny, limit, or discontinue Medically Necessary Services to any Individual.
11. North Sound BH-ASO shall maintain written job descriptions of all UM staff. North Sound BH-ASO staff that review denials of care based on medical necessity shall have job descriptions that describe required education, training or professional experience in medical or clinical practice and evidence of a current, non-restricted license, including HIPAA training compliance.
12. North Sound BH-ASO shall have a sufficient number of behavioral health clinical reviewers available to conduct denial and appeal reviews or to provide clinical consultation on complex case review and other treatment needs.
13. North Sound BH-ASO will not penalize or threaten a Provider or Facility with a reduction in future payment or termination of participating provider or participating facility status because the provider or facility disputes North Sound BH-ASO determination with respect to coverage or payment for health care service.

Medical Necessity Determination

North Sound BH-ASO uses written criteria based on sound clinical evidence to make utilization decisions. Authorization requests for SUD Services are determined using ASAM Criteria. Mental Health Authorization requests are determined using the LOCUS/CALOCUS scoring tool.

1. North Sound BH-ASO will collect all information necessary to make medical necessity determinations.
2. North Sound BH-ASO will determine which services are Medically Necessary based on the criteria within the scoring tools
3. North Sound BH-ASO's determination of medical necessity shall be final, except as specifically provided in North Sound BH-ASO *Policy 1001.00 Grievance and Appeal System*.

Authorization of Services

1. North Sound BH-ASO will provide education and ongoing guidance and training to individuals and providers about its UM protocols and criteria, including ASAM Criteria for SUD services for admission, continued stay and discharge criteria.
2. North Sound BH-ASO will have in effect mechanisms to ensure consistent application of UM review criteria for authorization decisions.
    a. North Sound BH-ASO shall have mechanisms for at least annual assessment of interrater reliability of all clinical professionals and non-clinical staff involved in UM determinations.
3. North Sound BH-ASO will consult with the requesting provider when appropriate, prior to issuing an authorization determination.

Timeframes for Authorization Decisions

Reference Policy 1005.00 *Notice Requirements* for notification of Coverage and Authorization Determinations. Failure to issue a service authorization decision within the required timeframe constitutes an Adverse Authorization Determination and will follow notice and appeal requirements.

1. North Sound BH-ASO or its delegate is required to acknowledge receipt of a standard authorization request for psychiatric inpatient services within two (2) hours and provide a decision within twelve (12) hours of receipt of the request.
2. North Sound BH-ASO or its delegate shall provide for the following timeframes for authorization decisions and notices:

a. For denial of payment that may result in payment liability for the individual, at the time of any Action or Adverse Authorization Determination affecting the claim.
b. For termination, suspension, or reduction of previously contracted services, 10 calendar days prior to such termination, suspension, or reduction, unless the criteria stated in 42 CFR § 431.213 and 431.214 are met.
c. Standard authorizations for planned or elective service determinations: The authorization decisions are to be made and notices are to be provided as expeditiously as the individual's condition requires. North Sound BH-ASO or its delegate will make a decision to approve, deny, or request additional information from the provider within five (5) calendar days of the original receipt of the request. If additional information is required and requested, North Sound BH-ASO or its delegate will give the provider five (5) calendar days to submit the information and then approve or deny the request within four (4) calendar days of the receipt of the additional information.

    i. An extension of up to fourteen (14) additional calendar days (not to exceed twenty-eight (28) calendar days total) is allowed under the following circumstances:

        1. The individual or the provider requests the extension; or
        2. North Sound BH-ASO or its delegate justifies and documents a need for additional information and how the extension is in the individual's interest.

    ii. If North Sound BH-ASO or its delegate extends the timeframe past fourteen (14) calendar days of the receipt of the request for service:

        1. North Sound BH-ASO or its delegate will provide the individual written notice within three (3) business days of the decision to extend the timeframe. The notice shall include the reason for the decision to extend the timeframe and inform the individual of the right to file a grievance if he or she disagrees with that decision.
        2. North Sound BH-ASO or its delegate shall issue and carry out its determination as expeditiously as the individual's condition requires, and no later than the date the extension expires.

d. Expedited Authorization Decisions: For timeframes for authorization decisions not described in inpatient authorizations or standard authorizations, or cases in which a provider indicates, or the North Sound BH-ASO or its delegate determines, that following the timeframe for standard authorization decisions could seriously jeopardize the individual's life or health, or ability to attain, maintain, or regain maximum function, North Sound BH-ASO or its delegate will make an expedited authorization decision and provide notice as expeditiously as the Individual's condition requires.

    i. North Sound BH-ASO or its delegate will make the decision within two (2) calendar days if the information provided is sufficient; or request additional information within one (1) calendar day, if the information provided is not sufficient to approve or deny the request. North Sound BH-ASO or its delegate must give the provider two (2) calendar days to submit the requested information and then approve or deny the request within two (2) calendar days.
    ii. North Sound BH-ASO or its delegate may extend the expedited time period by up to ten (10) calendar days under the following circumstances:

1. The individual requests the extension; or
2. North Sound BH-ASO or its delegate justifies and documents a need for additional information and how the extension is in the individual's interest.

e. Concurrent Review Authorizations: North Sound BH-ASO or its delegate must make its determination within one (1) business day (or 72 hours for urgent concurrent decisions) of receipt of the request for authorization.

   i. Requests to extend concurrent care review authorization determinations may be extended to within three (3) business days of the request of the authorization, if North Sound BH-ASO or its delegate has made at least one (1) attempt to obtain needed clinical information within the initial one (1) business day after the request for authorization of additional days or services.
   ii. Notification of the Concurrent Review determination shall be made within one (1) business day of North Sound BH-ASO or its delegate's decision.
   iii. Expedited appeal timeframes apply to Concurrent Review requests.

f. For post-service authorizations, North Sound BH-ASO or its delegate shall make its determination within 30 calendar days of receipt of the authorization request.

   i. North Sound BH-ASO or its delegate shall notify the individual and the requesting provider within three (3) business days of North Sound BH-ASO's or its delegate's determination.
   ii. Standard Appeal timeframes apply to post-service denials.
   iii. When post-service authorizations are approved, they become effective the date the service was first administered.

Alien Emergency Medical
Please reference *Policy 1598.00 Alien Emergency Medical (AEM) Prior Authorization Notification.*

Access to Utilization Management Staff
North Sound BH-ASO ensures Individuals, providers, and authorized representatives have reasonable access to Utilization Management (UM) staff during normal business hours to discuss UM processes, service authorization requirements, and the status of authorization requests. Customer service representatives shall facilitate communication between callers and UM staff when questions involve medical necessity determinations, authorization status, or clinical review processes**.** Clinical review staff must identify their name, title, and specialty if applicable when initiating, answering, or returning phone calls.

Clinical Consultation Availability
North Sound BH-ASO provides access to qualified clinical staff, including behavioral health professionals and physician or licensed clinical reviewers, to discuss utilization management determinations and medical necessity criteria with requesting providers. When requested by a treating provider, customer service staff will coordinate timely consultation with an appropriate clinical reviewer.

Peer-to-Peer Review Access
Treating providers may request consultation with a North Sound BH-ASO Medical Director or designated clinical peer reviewer regarding medical necessity determinations or authorization decisions. Peer-to-peer discussions will be arranged within reasonable timeframes to allow providers the opportunity to present additional clinical information prior to or following an adverse authorization determination.

Training on Utilization Management Processes
North Sound BH-ASO customer service staff receive training on North Sound BH-ASO utilization management policies, authorization requirements, appeal processes, and grievance procedures. Training ensures staff can accurately direct Individuals and providers to the appropriate UM personnel and provide clear information about authorization requirements, medical necessity review, and appeal rights.

Tracking of UM-Related Inquiries
North Sound BH-ASO customer service and UM department call logs will identify and track inquiries related to utilization management, authorization status, medical necessity determinations, and appeals. These inquiries may be analyzed through the Quality Management or UM program to identify trends, opportunities for improvement, and potential barriers to access.

Utilization Management Monitoring
Policy 1001.00 Grievance and Appeal System
Policy 1005.00 Notification of Coverage and Authorization Determinations
Policy 1594.00 Utilization Management Information Integrity

The Internal Quality Management Committee (IQMC) provides organizational oversight of the North Sound BH-ASO Utilization Management (UM) Program. The IQMC is responsible for reviewing UM program activities to ensure that utilization management processes are applied consistently, support access to medically necessary services, and comply with applicable federal and state regulations, the Washington State Health Care Authority (HCA) contract, and organizational policies.

The IQMC receives and reviews regular reports related to UM program performance, which may include authorization determinations, timeliness of decisions, utilization patterns, interrater reliability results, adverse authorization determinations, appeals and grievances related to UM decisions, and monitoring of delegated UM functions. The Committee evaluates these reports to identify trends, potential over- or under-utilization of services, and opportunities for quality improvement.

When areas of concern or non-compliance are identified, the IQMC may recommend corrective actions, quality improvement initiatives, provider education, or additional monitoring activities. Recommendations and actions of the IQMC are communicated to the North Sound BH-ASO Leadership Team and incorporated into the organization's Quality Management Program as appropriate.

The IQMC provides multidisciplinary oversight of the UM Program and ensures that UM activities are integrated with the organization's Quality Management Program, clinical practice guideline oversight, and performance improvement activities

The North Sound BH-ASO will ensure that all notifications for authorization decisions adhere to timeframes outlined in Policy 1005 Notice Requirements. The North Sound BH-ASO will monitor all contracted providers through a process that includes but is not limited to:

1. **Monthly Monitoring Reports that includes:**
    a. Authorizations, Actions, and Adverse Authorization Determinations

b. Over utilization and under of services
c. Utilization Management Timelines
d. Appropriateness of services
e. Discharges
f. Referral Source
g. Other data as identified

2. **Review of Monthly Monitoring Reports**

a. UM monitoring reports are reviewed by North Sound BH-ASO's UM committee and Internal Quality Management Committee (IQMC).
b. Recommendations will be provided regarding those not meeting established benchmarks.

3. **Monthly review of data at Utilization Management Committee**

a. Data will be reviewed by the committee to determine:

i. Adherence to authorization and notification content and timelines
ii. Adherence to the benchmarks provided in UM review area listed above

b. IQMC will review the reports to determine the necessary action to take when:

i. North Sound BH-ASO, its delegate, or its subcontractors do not meet the benchmarks established in the reports
ii. North Sound BH-ASO or its delegate does not meet the content requirements and timelines for authorizations and notifications

Sanctions
As appropriate, IQMC recommendations concerning delegate and subcontractor performance will be forwarded to the North Sound BH-ASO Leadership Team for review and decision making as per North Sound BH-ASO Policy 1017.00 Remedial Action.

Any identified issues regarding North Sound BH-ASO not meeting the necessary benchmarks or timelines will be remediated by the IQMC in accordance with the North Sound BH-ASO Quality Management Plan. All remediation processes and outcomes are reported to the North Sound BH-ASO Leadership Team by the IQMC Chair.

ATTACHMENTS
1594.01 *Levels of Care for Authorization*
1594.02 *Authorization Requirement Guide*