

Testimony of Aaron Turner-Phifer

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Pennsylvania House Labor and Industry Committee

Public Hearing on Legislation to Require a Drug Formulary in Workers' Compensation

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Good morning, my name is Aaron Turner-Phifer and I am the Director of Government Relations at URAC. I want to thank Chairman Kauffman, Democratic Chair Galloway, and members of the committee for the opportunity to speak with you today about URAC and the role of accreditation in driving out the cost of poor quality care.

URAC is an independent, national quality benchmarking organization focused on improving the care delivered to patients through accreditation, certification, and measurement. URAC was founded in 1990 in response to the growing concern regarding the lack of uniform standards for utilization review. Since our founding, URAC has expanded our services and we now offer more than two dozen accreditation and certification programs addressing numerous segments of the healthcare market including health plans, pharmacy operations, drug benefit management, medical management, and clinical integration, as well as health insurance and workers' compensation utilization management.

URAC's focus is on driving out the cost of poor quality in healthcare through the development of evidence-based quality standards informed by industry best practices. By consistent application of the standards nation-wide, URAC accreditation requires organizations to have a process by which they reliably meet requirements for expected utilization management processes. In addition, URAC accreditation helps organizations reduce variability in the review and determination process thus ensuring injured workers are treated appropriately according to established guidelines that have been reviewed by the URO annually.

Today, most states use accreditation to augment their oversight of organizations conducting utilization review. In fact, Pennsylvania accepts evidence of accreditation in lieu of an on-site visit from the Department of Health for organizations performing utilization review on behalf of a health plan or conducting external review (28 Pa. Code § 9.741).

Several states have adopted specific statutory requirements for their workers' compensation market. For reference, the following states are examples of those that have specific accreditation requirements for organizations providing workers' compensation utilization review: California, Delaware, the District of Columbia, Illinois, and New York.

URAC currently accredits 65 organizations with operational sites located in Pennsylvania. Of those, 15 are specifically accredited for functions relating to utilization review. Included as an appendix to this testimony is a list of those organizations and the programs in which they have achieved accreditation. An important hallmark of URAC accreditation is that it is a learning process for applicant organizations. A key value of URAC's approach to the accreditation process is in the opportunity for applicant organizations to learn from the feedback given by our review team experts in the field.

URAC's accreditation programs are designed to assure that an organization has a well-organized and effectively operating infrastructure with the appropriate clinical oversight of the medical necessity determination process in place. Specifically, URAC's utilization review accreditation programs are focused on the following areas: timeliness of review and issuance of a reasoned determination, appropriateness of the qualifications and credentials of those conducting the various types and levels of review, the pertinence to the population served of criteria upon which review determinations are made, as well as clinical oversight, quality management and continuous improvement.

An effective quality management program structure is of critical importance for those organizations reviewing the care planned for populations in which there may be concern about prescribing practices and/or opioid use. URAC's standards require organizations to review their claims information to identify trends that may impact patient safety and requires organizations to have a mechanism to address such issues.

URAC's standards also require an accredited organization to have mechanisms in place to address identified issues associated with overutilization, the duration of treatment, and therapeutic appropriateness. All of these areas could be potential indicators of an issue with drug over-prescription or abuse.

While URAC does not dictate formulary design, we do evaluate the process and methods organizations use to determine medical necessity and appropriateness. URAC expects organizations to use guidelines as just that – guidelines. Our standards require organizations to have an appeal's process, in alignment with state regulations, which allows them to handle exceptions for special cases that may fall outside the formulary. This element is crucial to ensure injured workers are not unduly denied care that is medically necessary and appropriate.

Our accreditation process is comprised of two key components – a “desk-top” review of an organization's plans, policies, procedures, and work-flows that is followed by an interactive validation review of an organization's actual operations. These two features provide organizations the opportunity to tell us how they meet our standards and then to show us how they meet the standards. Once an organization has signed a contract, it takes, on average, 10 to 12 months for an organization to receive an accreditation decision. This timeframe varies depending on the degree of readiness of the organization and whether they have been previously accredited.

We believe that accreditation should be a pursuit available to any organization interested in demonstrating their ability to deliver high-quality services that are of benefit to patients as well as purchasers. We recognize that organizations seeking accreditation devote significant time and effort in this pursuit. However, those who are truly committed to seeing that appropriate care is delivered to injured workers find the accreditation process well worth the commitment due to improved operational performance and enhanced service quality for their purchasers.

As you consider ways to improve the service delivered to Pennsylvania's injured workers, URAC stands ready to be of assistance anyway we can.

Thank you for your time and I am happy to answer any questions you may have.

Appendix

Organization	Accreditation Program
AmeriHealth Administrators, Inc.	Health Utilization Management
Christopher Place Healthcare Review	Independent Review Organization: Comprehensive Review (Internal & External)
Cigna Health Management, Inc.	Health Utilization Management
Community Care Behavioral Health Organization	Health Utilization Management
Comprehensive Medical Assessments, CMA LLC	Independent Review Organization: Comprehensive Review (Internal & External)
CareSource, Inc.	Health Utilization Management
Federal Hearings & Appeals Services, Inc.	Independent Review Organization: Comprehensive Review (Internal & External)
GENEX Services, LLC	Workers' Compensation Utilization Management
IMX Medical Management Services, Inc.	Independent Review Organization: Comprehensive Review (Internal & External)
Independent Medical Expert Consulting Services, Inc. (IMEDECS)	Independent Review Organization: Comprehensive Review (Internal & External)
NantHealth	Health Utilization Management
National Medical Reviews, Inc.	Independent Review Organization: Comprehensive Review (Internal & External)
ProgenyHealth, Inc.	Health Utilization Management
Provider Resources Inc.	Independent Review Organization: Comprehensive Review (Internal & External)

United Concordia Companies, Inc.	Health Utilization Management
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