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customer success story



**Name and Location**

North Carolina Dept. of Health and Human Services–Division of Medical Assistance (DMA)

**Customer Overview**

The State DMA manages Medicaid for the State of North Carolina. Medicaid is a health insurance program for over one million people in the state.

**Focus**

Online pre-authorizations

**Issue**

The State DMA needed a solution to streamline the paper-based, pre-authorization process.

**Solution**

Covisint

**Results**

Pre-authorization is now an online workflow. A provider has reduced patient length of stay by 1.35 days, and case managers report a 75 percent improvement in prior approval response time.

## Government Payer Improves Workflow and Reduces Costs With Online Form Processing

### Introduction

One of Lynne Perrin's responsibilities within the North Carolina Division of Medical Assistance (DMA) is ownership of the NC-FL2 form and the prior approval process. The FL2 form (prior approval form) is used primarily by hospital discharge planners to request authorization to place a Medicaid patient into a post-acute skilled facility. The form is a single page with three-part carbon. Printing and distributing the three-part form was costly. The paper process for the form was slowed by mail and created greater potential for errors when reviewers interpreted handwriting or when data elements were missing.

The paper-based prior approval form created an environment that slowed the patient discharge process at the hospital and lowered overall provider satisfaction. The State DMA recognized the paper-based process and associated communication workflow could greatly benefit from automation. The State DMA selected Covisint to provide Internet-based technology to improve workflow.

### Challenge

The pre-authorization process had several communication touch points. First, the clinical information had to be hand-written by hospital discharge planners who then obtained a physician's signature on the form. Next, the discharge planner had to contact a contractor to obtain an approval number indicating the patient was mentally stable. Once the form was complete

with these items, it could then be called in to the state's fiscal agent for a prior approval number. Discharge planners then added the authorization number to the form, which was now ready to be sent by fax or mail to extended care facilities (ECF) as a referral. Admission coordinators at the ECFs would then review the form against resources and bed availability before contacting the hospital via phone or fax to accept or reject the referral. The discharge planner also had to mail a copy of the form with the original physician signature to the state's fiscal agent. The fiscal agent then sent a copy to the county and the accepting ECF. The final two steps are required for financial approval from the county and for the ECF to begin billing.

This paper process had many communication touch points, any of which could cause delays, often forcing the patient to spend another day in an acute care setting. Corrections and omitted data frequently caused the form to be returned to the provider for reprocessing. When corrections were made or fields were omitted, a new form had to be created and the physician signature acquired again.

Throughout this process, forms were sometimes lost or misrouted. The discharge planner was waiting unnecessarily with no knowledge that the process had come to a stop. The whole workflow was linear-based with repeated iterations due to missing or inaccurate data.

The State DMA recognized the disconnects in the paper process and looked for a solution that created a shared paperless workflow. They also wanted to track the form through the entire process and allow visibility for providers, mental health contractors and the state fiscal agent. The State DMA collaborated with providers to build an online workflow using Covisint technology.

## Solution

The prior approval form is now prepared and communicated online to all the touch points within the workflow. The State DMA and hospital-based case managers can quickly analyze workflow and identify and resolve communication bottlenecks. If an employee is absent, staff can interchange easily because

the entire prior approval form history is available online. If the state's fiscal agent requires more information, they can request this online. The updated form can be immediately posted online without having to wait for fax machine or postal mail arrival.

### Form Designer and Publisher

Using Covisint's built-in form designer, the paper prior approval form is now available in a structured electronic format. The form can be completed and submitted to the state's fiscal agent online. The electronic form contains built-in validation rules that flag users when data is missing or erroneous before the form moves to the next reviewer.

### Physician e-Signature or Imaged Signature

Physicians can electronically sign the prior approval form if they are Covisint users. Alternatively, if physicians elect to sign manually, they fax back their hand-written signatures, which are imaged and automatically attached back to the patient-specific record using bar-code technology. Thus, the new process embraces both manual and electronic signature collection while keeping the whole process online, managed through a single interface.

### e-Mental Health Evaluation Number

The States Behavioral Health subcontractor can view the patient's prior approval form online and assign mental health evaluation numbers.

### e-Prior Approval Number

The completed form, with the physician signature and mental health evaluation number, is sent online to the state's fiscal agent for review. Prior approval representatives evaluate incoming forms online and reply to the sender with the prior approval number. The prior approval number is then forwarded to the accepting facility and the county. Hospital discharge planners then access the completed form online. If prior approval representatives have questions or need clarification, they send a request through Covisint directly to the discharge planners who submitted the form. Dependence on paper, phone and fax machines to complete the workflow is eliminated.

## Results

**Reduction in Length of Stay:** WakeMed Health & Hospitals, a 752-bed healthcare system, realized an average 1.35-day reduction in length of stay (LOS) for all patients transferred from WakeMed Raleigh to extended care facilities. Medicare and Medicaid patients' LOS were reduced by 1.15 and 7.49 days respectively. All the while, the case mix index remained relatively stable. With a large percentage of patients subject to capped reimbursement rules, it has benefited the healthcare system to cut clinically unnecessary patient days. The healthcare system attributes this decrease in LOS to operation improvement initiatives, automated prior approval forms and Covisint's communication framework. (Please see WakeMed case study for more information.)

**Efficiency in Workflow:** Providers are getting mental health evaluation numbers from mental health contractors and prior approval numbers from the state's fiscal agent at a much faster rate. Mental health evaluation numbers are being received within 12 hours versus the 24-48 hours before implementation. A survey of case managers at two acute care facilities revealed that before using Covisint, managers and staff would spend approximately 30 minutes on the telephone with state contractors to receive one prior approval number (including hold time). At a combined volume of 180 Medicaid patients per month and an average hourly wage of \$25, these healthcare providers were spending approximately \$27,500 per year solely for the purpose of seeking prior approval numbers. The case managers reported time spent on the prior authorization workflow now takes one quarter of the original time. These newly available labor hours are now transferred to more productive patient-focused responsibilities.

**Reduction in Re-submits:** The survey of case managers also revealed the number of prior approval forms being re-submitted to the State DMA has been reduced as well. They attribute this to Covisint's data validation controls that alert users if data is missing or erroneous, prior to submission to the State DMA.

**Improved Provider Relations:** Provider satisfaction with the online prior approval form became apparent immediately. Providers no longer needed to call contractors to determine if their forms had been received and processed. In the Covisint environment, users can view when the form was received, if the form was reviewed, who reviewed the form and where the form is in the review process. The number of lost and misrouted forms is near zero, as the documents now move electronically and have an audit trail that both the sender and the recipient can see. This audit trail creates accountability for both the sender and the receiver, which eliminates the frustration caused by not knowing where the form was in the process and who had the next action step.

**Reduction in Printing and Distribution Costs:** The state's fiscal agent printed and distributed an average of 349,200 prior approval forms per year. At an average of 6.5 cents per form, this cost the state \$22,698 in printing per year. As providers continue to adopt the automated prior approval form and the State DMA continues to phase out the three-part form, all of these printing and distribution costs will be eliminated over time.

**Additional Benefits:** There were unexpected benefits as well. In North Carolina, the prior approval form is also used as a generic assessment/referral form for non-Medicaid patients. Providers had long wanted to add and change some of the fields on the form to clarify their communication with Medicaid and make the form more suitable for non-Medicaid referrals. The change process was too difficult with a pre-printed form. According to Perrin, Covisint became a conduit for these provider requests. Because the form is dynamic, it became very extensible. The form could be modified and instantly broadcasted to providers. Provider's comments and suggestions were not only heard, but the State DMA immediately acted upon them.

## Conclusion

Although the technology worked flawlessly, according to Lynne Perrin, chief of the facility and community care section, clinical policy and programs, NC DMA, “There were obstacles we had to overcome.” NC DMA had to re-interpret and in some cases revamp some outdated policies to allow for the form automation. Online forms had to be deemed as the “original document” and electronic physician signature format had to be approved. “There were also some contract adjustments that needed to be worked through,” said Perrin, “but we all worked together knowing that this was best solution for the State DMA, our contractors, our providers and our patients.”

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Covisint enables the secure access to and the improved visibility of health information. Leading healthcare organizations and communities across the healthcare continuum leverage Covisint to exchange information and support real-time collaboration, including the automation and streamlining of basic clinical and administrative processes that are generally paper-based transactions today.

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4/07