

## Report on Medicare Compliance Volume 30, Number 14. April 12, 2021 Prior Auth of Cardiac Implants Is Added for Inpatients by United; Claims Seen at Risk

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By Nina Youngstrom

Under a UnitedHealthcare policy,<sup>[1]</sup> hospitals are now required to get prior authorization for electrophysiology implants after patients already are approved for inpatient admissions. Some experts find it unnerving because they say cardiac interventions potentially could be delayed while hospitals wait for prior authorization, and they may lose payments when they perform urgent procedures without the commercial payer's say-so. The policy is seen as another example of health plans layering on processes "in an attempt to deny high-cost services," an attorney said.

Under UnitedHealthcare's policy, certain cardiology procedures require prior authorization, depending on the setting. For inpatients, prior authorization is required to insert pacemakers and implant cardiac defibrillators. The policy only applies to some UnitedHealthcare plans.

"I have never seen this before. It could potentially be a big deal," said Juliet B. Ugarte Hopkins, M.D., physician advisor for case management, utilization and clinical documentation improvement at ProHealth Care in Waukesha, Wisconsin. The UnitedHealthcare policy erodes the idea that prior authorization of an inpatient stay includes all services provided during the hospital stay, she said.

"If the admission is approved by a payer, wouldn't you think that includes all the necessary services provided to the patient during the stay?" said Ronald Hirsch, M.D., vice president of R1 RCM. "When the patient is in a hospital bed, it seems crazy that everyone has to stop and get authorization for the procedure." It's one thing that UnitedHealthcare requires prior authorization for outpatient electrophysiology procedures, he said. It's another thing altogether with inpatients, who, by definition, are sicker than outpatients who have a pacemaker or defibrillator implant scheduled electively, Hirsch said. "The potential for harmful delays is great," he contends.

UnitedHealthcare stipulates that prior authorization must be requested retrospectively if the ordering provider "determines that a cardiology procedure is medically required on an urgent basis and a notification/prior authorization number cannot be requested because it's outside of United's normal business hours."

That provision, however, "does not help when you call Monday afternoon and don't get approval for 48 hours or more," Hirsch said.

He's worried UnitedHealthcare will refuse the pacemaker and defibrillator even though it's not quibbling with the admission, a sort of line-item denial. That will significantly downcode the MS-DRG, he said. Sometimes the denial will be justified if, for example, the medical records show the patient's ejection fraction was 40%, Hirsch said. "They will still pay the admission, but they have the right to take the defibrillator off the claim. But if they simply remove the implantation from the claim, will anyone even notice or will the lower payment be posted and the claim closed?"

UnitedHealthcare also may deny the physician's fee for inserting the pacemaker if the hospital doesn't get prior authorization, as one physician learned, Hirsch said. The fate of the admission itself is unclear.

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What's still unknown is whether hospitals can appeal a prior authorization decision, Hirsch said. "And will the appeal be based on the medical necessity of the procedure itself?"

UnitedHealthcare's splitting out the basis for the inpatient admission from the basis of the cardiac implant is conceptually consistent with practices by other plans, said attorney Stephen Goff, with King & Spalding in Sacramento, California. Some payers are adding "layers of process" to control the site of services. "We are seeing a wave of this," he said. For example, UnitedHealthcare and Anthem policies require physicians to refer certain advanced imaging tests to freestanding ambulatory imaging centers and won't pay if they're performed at hospital outpatient imaging centers, he explained. Also, some commercial payers have been pushing so-called white-bagging policies, which deny payments for specialty drugs unless hospitals buy them from certain pharmacies approved by the payers.

Part of what troubles Ugarte Hopkins about the policy change is how things like this often fly under the radar. "You don't have enough people paying attention to every policy from payers," she noted. "You could miss something like that. Some of the policies are alluded to in [payer] newsletters, but they're not necessarily emphasized."

## **When Does the Light Bulb Go Off?**

The prior authorization policy also is difficult to execute. "It opens a can of worms" for case management, treating physicians and physician advisors. "How do we even put together a process to get this preauthorization? It's one thing when the patient is scheduled to come to the hospital to have the procedure. We can do prior authorization, but when the patient is acutely hospitalized, it's a different ballgame," Ugarte Hopkins said. "At what point does the light bulb go off and we say, 'This patient is covered by United, and we have to get prior authorization for the pacemaker?'" Possibly EPIC could be adjusted to alert the physician or case manager, but "it's a bit of a nightmare," she noted. "Is your electronic health record [system] even sophisticated enough to do that?"

Even though the policy seems straightforward on its face, "all the pieces will have to come together," Ugarte Hopkins said. The first step is asking the contracting team to help clarify the policy. Next she may need to add a step for utilization managers and case managers to determine which patients require prior authorization for pacemakers and defibrillators in addition to the admission. From there, it's a matter of conveying to everybody that the procedures will be performed if the patients need them, with or without prior authorization. "We would never wait to hear back on an authorization when medical necessity and expedient need for the procedure are at play. That needs to be clear," Ugarte Hopkins said. "We don't want that message going out to providers."

Given the policy's existence, she wonders whether the hospital is losing reimbursement from UnitedHealthcare and other payers with similar policies that go unnoticed. "Maybe inpatient was reimbursed, but other things were not covered."

Another part of the policy she finds confounding is the statement that prior authorization is required for outpatient electrophysiology implants, diagnostic catheterization, echocardiograms and stress echocardiograms, but "hospital observation units" are excluded. Some hospitals have dedicated observation units, including her own, but sometimes they're maxed out and the patient is placed in an available bed in another section of the hospital. Would the hospital need to get prior authorization for echocardiograms for observation patients located outside the observation unit but then not have to get prior authorization if the patient is placed in the observation unit when they're covered by United? "I have to reach out to United, because right now I don't know when it's required and when it's not," she said. "You have to have 100% clarity."

As far as their ability to push back on untenable policies, hospitals are at the mercy of their contracts with payers,

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Goff said. “The issue is, what does your contract say about the ability of the health plan to implement new policies that have material financial impact on your revenue?” He said many providers have provisions that prohibit health plans from carrying out certain policies. If that’s the case, providers should consider meeting with the payer to request a retraction. If your contract doesn’t make life that easy, Goff said hospitals will have to adjust to the new prior authorization requirement. UnitedHealthcare has a provision for retrospective reviews, but if it denies the claims, he suggested taking them to dispute resolution. Assuming the procedures were medically necessary, “you probably will win. I don’t believe a lot of doctors are putting in pacemakers and defibrillators for laughs.”

Hirsch suggested hospitals advocate for compensation in their contracts for the additional time that patients will spend in the hospital waiting for prior authorization of pacemaker insertions and electrophysiology implants.

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<sup>1</sup> UnitedHealthcare, *Cardiology Notification/Prior Authorization Protocol for Commercial and Exchange Plans*, accessed April 8, 2021, <https://bit.ly/2PJFLKV>.

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