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| No. UM-005                                           | Consistency and Timeliness for Utilization Management Decisions |  |
| Effective Date: 7/21/2020                            | POLICY AND PROCEDURE                                            |                                                                                     |
| Previous Versions: see revision history on last page |                                                                 |                                                                                     |
| DMHC TAG: Utilization Management                     |                                                                 |                                                                                     |

## OVERSIGHT OF UTILIZATION MANAGEMENT TIMELY DECISION MAKING AND NOTIFICATION POLICY

Canopy Health’s delegated IPAs, medical groups and contracted Pharmacy Benefit Manager (PBM) make UM decisions in a timely manner to accommodate the clinical urgency of the situation by following the DMHC timeliness standards for decisions and notifications as summarized in the ICE© **Commercial UM TAT grid** (California).

### Oversight of UM Decision Making Timeliness by Delegates and Contracted PBM

Canopy Health Delegation Oversight Committee reviews and provides oversight of the delegated IPAs, medical groups and PBM’s decision making and referral management regarding decision timeliness. This is done by reviewing annual and semi-annual ICE © reports from each IPA and by reviewing the results of annual audits. These annual audits consist of auditing a sample of files of authorizations and denials, applying the following DMHC timeliness standards summarized here and then included in the detailed chart at the end of this Policy, from the “ICE Commercial UM TAT grid (California)”:

| Type of Request       | Maximum time for finalizing decisions after request is received |
|-----------------------|-----------------------------------------------------------------|
| Urgent concurrent     | 24 hours                                                        |
| Urgent preservice     | 72 hours                                                        |
| Non-urgent preservice | 5 days                                                          |
| Post service          | 30 calendar days                                                |

**Audit results with below 95% pass rates due to deviation from the timeliness**

standards require the delegate to produce a corrective action plan within 30 days. The proposed corrective action must be approved by the Delegation Oversight Committee. The delegate must produce evidence that the corrective action plan has been implemented. Once the corrections meet the standards the corrective action plan is closed. If the Delegation Oversight Committee determines that the delegate is unable, despite multiple attempts, to meet the timeliness standards, the Delegation Oversight Committee may rescind delegation.

#### Timeliness of Pharmacy UM Decision Making for Office Administered Medications

Each delegated medical group, IPA and Canopy Health's PBM (IPM) are responsible to ensure that pharmaceutical UM decisions are made in a timely manner to accommodate the clinical urgency of the situation and to minimize any disruption in the provision of healthcare. UM records/files must show that pharmaceutical determinations resulting from medical necessity review, whether they are approved or denied, were made within the timeliness as stated below.

- Non-urgent requests: decision and notification within 72 hours of the receipt of the request
- Urgent requests: decision and notification within 24 hours of receipt
- Failure to complete the decision and notification within the required time is considered an approval communication
- The date the request was received and the date of the decision
- That electronic or written notification of the decision was provided to the requesting/treating practitioner and member within the timelines specified

Pursuant to Senate Bill 282 and Assembly Bill 374, the DMHC and the Department of Insurance developed a mandatory prescription drug prior authorization or step therapy exception request form . This form is to be used by providers when requesting a prescription drug prior authorization or step therapy exception.

Working day(s): mean State calendar (State Appointment Calendar, Standard 101) working day(s).

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| Type of Request                                                                                   | Decision Timeframes & Delay Notice Requirements                                                                                                                                                                                                                                                                                                                   | Practitioner Initial Notification & Member Notification of Approvals<br><br>(Notification May Be Oral and/or Electronic / Written)                                                                                                                                                                                                                     | Written/Electronic Notification of <u>Denial</u> to Practitioner and Member                                                                                                                                                                                                         |
| <b>Urgent Pre-Service</b><br>- All necessary information received at time of initial request      | Decision must be made in a timely fashion appropriate for the member's condition <b><u>not to exceed 72 hours after receipt of the request.</u></b>                                                                                                                                                                                                               | <u>Practitioner</u> : Within 24 hours of the decision, not to exceed 72 hours of receipt of the request (for approvals and denials).<br><br><u>Member</u> : Within 72 hours of receipt of the request (for approval decisions).<br><br>Document date and time of oral notifications.                                                                   | Within 72 hours of receipt of the request.<br><br><b>Note:</b><br>If oral notification is given within 72 hours of receipt of the request, written or electronic notification must be given no later than 3 calendar days after the initial oral notification.                      |
| <b>Urgent Pre-Service</b><br>- Extension Needed<br><br>• Additional clinical information required | Additional clinical information required:<br><br>Notify member and practitioner within 24 hours of receipt of request & provide 48 hours for submission of requested information.                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                     |
|                                                                                                   | <u>Additional information received or incomplete:</u><br><br>If additional information is <u>received</u> , complete or not, decision must be made within 48 hours of receipt of information.<br><br>Note:<br><b>Decision must be made in a timely fashion appropriate for the member's condition <u>not to exceed 48 hours after receipt of information.</u></b> | <u>Additional information received or incomplete</u><br><br><u>Practitioner</u> : Within 24 hours of the decision, not to exceed 48 hours after receipt of information (for approvals and denials).<br><br><u>Member</u> : Within 48 hours after receipt of information (for approval decisions).<br><br>Document date and time of oral notifications. | <u>Additional information received or incomplete</u><br><br>Within 48 hours after receipt of information.<br><br><b>Note:</b><br>If oral notification is given, written or electronic notification must be given no later than 3 calendar days after the initial oral notification. |

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| Type of Request | Decision Timeframes & Delay Notice Requirements                                                                                                                                                                                                                                                                                                                                                                                                                         | Practitioner Initial Notification & Member Notification of Approvals<br><br>(Notification May Be Oral and/or Electronic / Written)                                                                                                                                                                                                                                                                                                                                | Written/Electronic Notification of <u>Denial</u> to Practitioner and Member                                                                                                                                                                                                                                                                  |
|                 | <p><u>Additional information not received</u></p> <p>If no additional information is received within the 48 hours given to the practitioner and member to supply the information, decision must be made with the information that is available within an additional 48 hours.</p> <p>Note:</p> <p><b>Decision must be made in a timely fashion appropriate for the member's condition <u>not to exceed 48 hours after the deadline for extension has ended.</u></b></p> | <p><u>Additional information not received</u></p> <p><u>Practitioner:</u> Within 24 hours of the decision, not to exceed 48 hours after the timeframe given to the practitioner &amp; member to supply the information (for approvals &amp; denials).</p> <p><u>Member:</u> Within 48 hours after the timeframe given to the practitioner and member to supply the information (for approval decisions).</p> <p>Document date and time of oral notifications.</p> | <p><u>Additional information not received</u></p> <p>Within 48 hours after the timeframe given to the practitioner &amp; member to supply the information.</p> <p><b>Note:</b></p> <p>If oral notification is given, written or electronic notification must be given no later than 3 calendar days after the initial oral notification.</p> |

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| Type of Request                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Decision Timeframes & Delay Notice Requirements | Practitioner Initial Notification & Member Notification of Approvals<br><br>(Notification May Be Oral and/or Electronic / Written)                                                    | Written/Electronic Notification of <u>Denial</u> to Practitioner and Member                                                                                                                                                             |
| <b>Urgent Concurrent</b><br>- (i.e., inpatient, ongoing/ambulatory services)<br><br>Request involving both urgent care and the extension of a course of treatment beyond the period of time or number of treatments previously approved and the request is made at least 24 hours prior to the expiration of prescribed period of time or number of treatments.<br><br><b>Exceptions:</b> <ul style="list-style-type: none"> <li>If the request is not made at least 24 hours prior to the expiration of prescribed period of time or number of treatments, and request is urgent, default to <u>Urgent Pre-service</u> category.</li> <li>If the request to extend a course of treatment beyond the period of time, or number of treatments previously approved by the Health Plan/PMG/IPA does not involve urgent care, default to <u>Non –urgent Pre-service</u> category.</li> </ul> | Within 24 hours of receipt of the request.      | <u>Practitioner:</u> Within 24 hours of receipt of the request (for approvals and denials).<br><br><u>Member:</u> Within 24 hours of receipt of the request (for approval decisions). | Within 24 hours of receipt of the request.<br><br><b>Note:</b><br>If oral notification is given within 24 hours of request, written or electronic notification must be given no later than 3 calendar days after the oral notification. |

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| <b>Standing Referrals to Specialists / Specialty Care Centers</b><br><br>- All information necessary to make a determination is received                                                               | Decision must be made in a timely fashion appropriate for the member's condition not to exceed 3 business days of receipt of request.<br><br><b>NOTE:</b> Once the determination is made, the referral must be made within 4 business days of the date the proposed treatment plan, if any, is submitted to the plan medical director or designee.         | <u>Practitioner and Member:</u> Refer to appropriate service category (urgent, concurrent or non-urgent) for specific notification timeframes.                           | <u>Practitioner and Member:</u> Refer to appropriate service category (urgent, concurrent or non-urgent) for specific notification timeframes. |
| <b>Non-urgent Pre-Service</b><br><br>- All necessary information received at time of initial request                                                                                                   | Decision must be made in a timely fashion appropriate for the member's condition not to exceed 5 business days of receipt of request.                                                                                                                                                                                                                      | <u>Practitioner:</u> Within 24 hours of the decision (for approvals and denials).<br><br><u>Member:</u> Within 2 business days of the decision (for approval decisions). | Within 2 business days of making the decision.                                                                                                 |
| <b>Non-urgent Pre-Service - Extension Needed</b><br><br><ul style="list-style-type: none"> <li>Additional clinical information required</li> <li>Require consultation by an Expert Reviewer</li> </ul> | <u>Additional clinical information required:</u><br><br>Notify member and practitioner within 5 business days of receipt of request & provide at least 45 calendar days for submission of requested information.                                                                                                                                           |                                                                                                                                                                          |                                                                                                                                                |
|                                                                                                                                                                                                        | <u>Additional information received or incomplete:</u><br><br><b>If additional information is received, complete or not, decision must be made in a timely fashion as appropriate for member's condition not to exceed 5 business days of receipt of information.</b>                                                                                       | <u>Practitioner:</u> Within 24 hours of the decision (for approvals and denials).<br><br><u>Member:</u> Within 2 business days of the decision (for approval decisions). | Within 2 business days of making the decision.                                                                                                 |
|                                                                                                                                                                                                        | <u>Additional information not received</u><br><br>If no additional information is received within the 45 calendar days given to the practitioner and member to supply the information, decision must be made with the information that is available in a timely fashion as appropriate for member's condition not to exceed an additional 5 business days. |                                                                                                                                                                          |                                                                                                                                                |

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| Type of Request                                                                                                                                                                              | Decision Timeframes & Delay Notice Requirements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Practitioner Initial Notification & Member Notification of Approvals<br><br>(Notification May Be Oral and/or Electronic / Written)                                                                                                                  | Written/Electronic Notification of <u>Denial</u> to Practitioner and Member                                           |
|                                                                                                                                                                                              | <p><u>Require consultation by an Expert Reviewer:</u></p> <p>Upon the expiration of the 5 business days or as soon as you become aware that you will not meet the 5 business day timeframe, whichever occurs first, notify practitioner and member of the type of expert reviewer required and the anticipated date on which a decision will be rendered.</p> <p>Decision must be made in a timely fashion as appropriate for the member's condition within 5 business days of obtaining expert review, not to exceed 15 calendar days from the date of the delay notice to the practitioner and member.</p> | <p><u>Practitioner:</u> Within 24 hours of the decision (for approvals and denials).</p> <p><u>Member:</u> Within 2 business days of the decision (for approval decisions).</p>                                                                     | Within 2 business days of making the decision.                                                                        |
| <b>Post-Service</b><br><br>- All necessary information received at time of request (decision and notification is required within 30 calendar days from request)                              | Within 30 calendar days of receipt of request.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p><u>Practitioner:</u> Within 30 calendar days of receipt of request (for approvals).</p> <p><u>Member:</u> Within 30 calendar days of receipt of request (for approvals).</p>                                                                     | Within 30 calendar days of receipt of request.                                                                        |
| <b>Post-Service</b><br><br>- Extension Needed <ul style="list-style-type: none"> <li>Additional clinical information required</li> <li>Require consultation by an Expert Reviewer</li> </ul> | <p><u>Additional clinical information required:</u></p> <p>Notify member and practitioner within 30 calendar days of receipt of request &amp; provide at least 45 calendar days for submission of requested information.</p>                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                     |                                                                                                                       |
|                                                                                                                                                                                              | <p><u>Additional information received or incomplete</u></p> <p>If additional information <u>is received</u>, complete or not, decision must be made within 15 calendar days of receipt of information.</p>                                                                                                                                                                                                                                                                                                                                                                                                   | <p><u>Additional information received or incomplete</u></p> <p><u>Practitioner:</u> Within 15 calendar days of receipt of information (for approvals).</p> <p><u>Member:</u> Within 15 calendar days of receipt of information (for approvals).</p> | <p><u>Additional information received or incomplete</u></p> <p>Within 15 calendar days of receipt of information.</p> |

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|                                                                                                                                                                                                                                 | <u>Additional information not received</u><br><br>If no additional information is received within the 45 calendar days given to the practitioner and member to supply the information, decision must be made with the information that is available within an additional 15 calendar days.                                                                                                                                 | <u>Additional information not received</u><br><br><u>Practitioner:</u> Within 15 calendar days after the timeframe given to the practitioner & member to supply the information (for approvals).<br><br><u>Member:</u> Within 15 calendar days after the timeframe given to the practitioner and member to supply the information (for approval decisions). | <u>Additional information not received</u><br><br><b>Within 15 calendar days after the timeframe given to the practitioner &amp; member to supply the information.</b> |
|                                                                                                                                                                                                                                 | <u>Require consultation by an Expert Reviewer:</u><br><br>Upon the expiration of the 30 calendar days or as soon as you become aware that you will not meet the 30 calendar day timeframe, whichever occurs first, notify practitioner and member of the type of expert reviewer required and the anticipated date on which a decision will be rendered.<br><br>Within 15 calendar days from the date of the delay notice. | <u>Require consultation by an Expert Reviewer:</u><br><br><u>Practitioner:</u> Within 15 calendar days after the date of the delay notice (for approvals).<br><br><u>Member:</u> Within 15 calendar days from the date of the delay notice (for approval decisions).                                                                                        | <u>Require consultation by an Expert Reviewer:</u><br><br>Within 15 calendar days from the date of the delay notice.                                                   |
| Translation Requests for Non-Standard Vital Documents<br><br>1. Urgent (e.g., pre-service pend or denial notifications with immediate medical necessity)<br><br>2. Non-Urgent (e.g., post-service pend or denial notifications) | <u><b>LAP Services Not Delegated:</b></u><br><br><b>All requests are forwarded to the contracted health plan.</b><br><br><b>1. Request forwarded within one (1) business day of member's request</b><br><br><b>2. Request forwarded within two (2) business days of member's request</b>                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                             | <u><b>LAP Services Delegated/Health Plan:</b></u><br>All requested Non-Standard Vital Documents are translated and returned to member within 21 calendar days.         |

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| Type of Request                                                                                                                                                                                                                                                                                                                                                                                     | Decision Timeframes & Delay Notice Requirements                                                                                                                                                                | Practitioner Initial Notification & Member Notification of Approvals<br><br>(Notification May Be Oral and/or Electronic / Written)                                                                                                                                                                                                                                                                                                                                                        | Written/Electronic Notification of <u>Denial</u> to Practitioner and Member                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Prescription Drugs</b><br><br>CA Health & Safety Code section 1367.241 (CA SB 282; 2015-2016)<br><br><i>*Exigent circumstances* exist when an insured is suffering from a health condition that may seriously jeopardize the insured's life, health, or ability to regain maximum function <b>OR</b> when an insured is undergoing a current course of treatment using a non-formulary drug.</i> | <ul style="list-style-type: none"> <li>▪ <b>Non-urgent:</b> Within 72 hours of receipt of request</li> <li>▪ <b>Urgent request or exigent circumstances*:</b> Within 24 hours of receipt of request</li> </ul> | <u>Practitioner:</u> <ul style="list-style-type: none"> <li>▪ <b>Non-urgent:</b> Within 72 hours of receipt of request</li> <li>▪ <b>Urgent request or exigent circumstances*:</b> Within 24 hours of receipt of request</li> </ul> <p><b>NOTE:</b> CA SB282 does not specify timeframes for member notification. To ensure compliance with regulatory and accreditation standards, refer to the urgent and non-urgent pre-service sections above for member notification timeframes.</p> | <u>Practitioner:</u> <ul style="list-style-type: none"> <li>▪ <b>Non-urgent:</b> Within 72 hours of receipt of request</li> <li>▪ <b>Urgent request or exigent circumstances*:</b> Within 24 hours of receipt of request</li> </ul> <p><b>NOTE:</b> CA SB282 does not specify timeframes for member notification. To ensure compliance with regulatory and accreditation standards, refer to the urgent and non-urgent pre-service sections above for member notification timeframes.</p> |
| <b>Hospice – Inpatient Care</b>                                                                                                                                                                                                                                                                                                                                                                     | Within 24 hours of receipt of request                                                                                                                                                                          | <u>Practitioner:</u> Within 24 hours of the decision<br><br><u>Member:</u> None specified                                                                                                                                                                                                                                                                                                                                                                                                 | <u>Practitioner:</u> Within 2 working days of making the decision<br><br><u>Member:</u> Within 2 working days of making the decision                                                                                                                                                                                                                                                                                                                                                      |

## Revision History:

| Version Date | Edited By | Reason for Change                                                                                                   |
|--------------|-----------|---------------------------------------------------------------------------------------------------------------------|
| 7/26/16      | M. Durbin | Creation date                                                                                                       |
| 11/18/16     | M. Durbin | Pending CMO update                                                                                                  |
| 5/22/18      | A. Kmetz  | Corrected mistake in Timeliness grid                                                                                |
| 7/27/18      | R. Scott  | Updated ICE Grid to latest version: 7/1/16 and DMHC form 61-211 for Prescription drug and prior authorization form. |
| 1/1/20       | R. Scott  | Updated Delegation Oversight processes.                                                                             |