Division of TennCare

To: TennCare Managed Care Organizations
From: Stephen Smith, Director
Date: June 9, 2021
Subject: Expiration of COVID-19 Policies Regarding Hospital Administrative Flexibilities

TennCare recognizes the extraordinary amount of work, flexibility, and partnership that our hospitals and Managed Care Organizations (MCOs) have contributed during this past year to combat COVID-19 during the public health emergency. TennCare and its MCOs would like to reassure Tennessee's hospitals of its ongoing support and therein is adopting the following policies as permanent policies:

- **Flu and COVID-19 Added Permanently to the Lab Exception/Exclusion List**
  MCOs have added flu and COVID-19 testing to the exception/exclusion list for submission to preferred laboratory providers.

- **MCOs not denying claims or assessing any penalties on hospital facilities for readmissions due to COVID-19**
  With the exception of evidence of an unsafe discharge based on a deviation from current discharge standards for COVID-19 patients (e.g. Mcg M-280 viral illness optimal recovery guideline), TennCare's MCOs will not deny claims or assess any penalties on hospitals for readmissions due to COVID-19.

In an effort to provide hospitals with sufficient notice, TennCare is extending the following policy through July 31, 2021:

- **Suspension of PCP Assignment**
  The MCOs will continue the suspension of the practice of denying PCP service claims submitted by providers who are not the PCP of the members they are serving through June 30, 2021. As has been the practice throughout this year, members will continue to be assigned PCPs according to the normal process.

PCP assignment will resume effective August 1, 2021 and hospitals and providers should make the necessary adjustments during this extended time to facilitate the return to the PCP assignment policy.

TennCare would also like to reaffirm that TennCare's MCOs will continue to coordinate with Tennessee's hospitals to work out an action plan to complete the medical records requests, recoupments, and audits through March 31, 2022. TennCare is allowing its MCOs to look back from March 1, 2020 through March 31, 2021 to review each hospitals volume of medical records requests, recoupments, and audits and to initiate contact with Tennessee hospitals to work out an action plan to complete the medical records requests, recoupments, and audits through March 31, 2022. In addition, TennCare's MCOs will be allowed to complete any medical records requests, recoupments, or audits that may have expired or are set to expire during the period of March 1, 2020 through March 31, 2022. TennCare advises its MCOs to be proactive and to contact the hospitals to discuss the volume of backlogged medical records requests, recoupments, and audit requests so that the MCOs and the hospital can agree to a plan to complete these requests. **In the event that a**

hospital feels overwhelmed by medical records requests or audit requests issued by the MCOs or their vendors, and attempts to resolve directly with the MCOs have been unsuccessful, please contact TennCare's Director of Managed Care Oversight, Shawn Smith (shawn.smith@tn.gov), to share your concerns. Mr. Smith will communicate with your hospital and the MCOs to reach a resolution.

The following short-term administrative accommodations will expire effective July 1, 2021:

- **Post-Acute Care Services – Utilization Management**

  TennCare MCOs are not requiring authorization reviews before patients can be moved from the acute care setting to the appropriate post-acute care setting. TennCare MCOs will also support rapid placement and discharge of currently hospitalized patients who can be safely discharged to another setting.

- **Acute Care Hospital-based Services – Utilization Management**

  MCOs will continue the suspension of denying claims for notification not being timely filed or for UM not being timely filed through June 30, 2021. Note that other practices have not changed during the emergency period: TennCare MCOs continue to require notification and the submission of clinical information that is normally required for UM level of care reviews. Acute services provided beginning after June 30, 2021 require prior authorization when applicable.

- **Authorization Approvals Made Before the Emergency**

  TennCare MCOs will allow extensions for authorizations dated October 1, 2020, or later. Any outstanding service authorized before that date, but not yet fulfilled before March 31, 2021, will be subject to review for medical necessity. MCOs should also suspend site of service reviews during this period. In order to clarify what is being suspended, site of service refers to the least costly safe and appropriate place of service. For example, surgeries performed at Ambulatory Surgery Centers versus free standing facilities versus office settings. A site of service review looks at any co-morbid conditions that require more complex care, such as a request for Cystourethroscopy to be performed in a hospital outpatient surgical setting. If the member's clinical information showed comorbidities such as obesity, diabetes poorly controlled, and severe obstructive sleep apnea, a site of service review could approve the hospital as the appropriate site.

- **Pharmacy & Medical Devices**

  MCOs shall reimburse providers at the contracted rate for drugs dispensed from hospital pharmacies. The MCOs will not require that any prescription drugs be dispensed by specialty pharmacy instead of the hospital pharmacy. MCOs will offer appropriate reimbursement for any emerging drug treatments or devices for treatment of known or suspected COVID-19 patients. Requests for the use of experimental drugs or devices should receive expedited review. The MCOs will be mindful of the need to be flexible in reviewing these requests, recognizing there is not currently a cure for COVID-19.

- **Services Provided by Practitioners Not Yet Credentialed**

  The MCOs are to pay for all services in the hospitals rendered by providers who are not yet credentialed. However, per federal requirements, all providers will need to have a Medicaid provider ID in order to be paid for Medicaid services.

As a reminder, the following accommodations previously expired effective April 1, 2021:

- **Medical Record Requests and Audits**

  MCOs should suspend requesting medical records to reduce administrative burdens on hospitals. Audits or recoupments related to medical claims should be suspended or postponed during this period. MCOs should not place claims into either pre- or post-payment review or audit that would result in delay of payment of either stop-loss or outlier payments. Note that this change will apply to inpatient and outpatient facility claims. This change does not apply to professional claims. Hospitals that have professional groups as part of their system may need to submit medical records for professional claims. Future audits will consider the period and circumstances when the emergency occurred. However, because we are suspending most of the administrative measures in place to prevent inappropriate utilization during this period, once we have resumed normal operations, MCOs may review services during the period not just for fraud but also for waste or abuse. Reviews of services performed during this period should be reasonable.

- **Not Requiring Medical Records Before Claims Adjudication**

  TennCare MCOs will not request medical records before claims adjudication through March 31, 2021 (with the exception of ASH claims). Note that this change will apply to inpatient and outpatient facility claims. We are not making this change for professional claims. Hospitals that have professional groups as part of their system may need to submit medical records for professional claims.

- **Quality and Value-Based Payment Programs**

  TennCare MCOs should postpone the manual collection of medical records for HEDIS and in-office reviews. Automated collection of data for quality measures will continue as there is no effort or intervention required from the provider.

- **Recredentialing**

  TennCare MCOs are suspending all recredentialling requirements for providers.

- **Internal and External Appeals Timeframes**

  The timeframes for hospitals to submit appeals are typically 180 days. While we are not eliminating these appeals timeframes, if a hospital would like an extension, MCOs shall review and approve reasonable requests on a case-by-case basis. In addition, MCOs should consider the period and circumstances of this emergency in future audits.

Thank you for your partnership and continued care of our members especially during these unprecedented times.