

Delegated UM Program Policy and Procedure

Applies to: NCQA DEL UM-7

Effective Date: 11/02/2020

Last Review Date: 08/30/2021

Most Recent Revision Date: N/A

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Policy Title: Denial Notices in Delegated UM Cases

Note: *The following applies insofar as NMR is a delegated vendor on behalf of its clients for these functions, otherwise these functions are not applicable to NMR as a delegated UM vendor and they are retained by the delegating client.*

Subject: Denial Notices Delegated UM Cases

Policy: NMR documents and communicates the reasons for denials in delegated UM cases. Communication of reasons for denials in delegated UM cases is communicated only to our clients, the delegators. Communication of reasons for denials in delegated UM cases to members is a function that is retained by our clients, the delegators.

Purpose: To ensure that NMR documents and communicates the reasons for denials in delegated UM cases to its clients, the delegators. The delegators may utilize the reasons for the denials in delegated UM cases to provide their members and their members' practitioners enough information to help them understand a decision to deny care or coverage, and to decide whether to appeal the delegated UM decision.

Responsibility: Operations, Quality, Compliance, Medical Director

Definitions:

- **Appeal** - A formal request by a practitioner or enrollee for reconsideration of a decision (such as a utilization review recommendation, a benefit payment, an administrative action or a quality-of-care or service issue) with the goal of finding a mutually acceptable solution.
- **Appeal mechanism** - The formal process that a service provider or enrollee can use to request reconsideration of an organization decision.
- **Behavioral healthcare** - Valuation and treatment of psychological and substance abuse disorders.
- **Criteria** - Systematically developed, objective and quantifiable statements used to assess the appropriateness of specific health care decisions, services and outcomes.
- **Delegation** - An organization gives an entity (like NMR) the authority to perform certain functions on its behalf. Although the organization may delegate the authority to perform a function, it may not delegate the responsibility for ensuring that the function is performed appropriately.
- **Delegator** – A NMR client that decides to delegate certain portions of the UM process to NMR.

Confidential

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- **Denial** – Non-authorization of care or service based on either medical appropriateness or benefit coverage. Partial approval and care termination when the practitioner does not agree are also considered denials.
- **Easy-to-understand language** - Information presented in a clear and coherent manner and that uses words with common and everyday meanings to the extent practical.
- **Evidence-based guideline** - Clinical guidelines, statements of recommendation, algorithms or materials created through an unbiased and transparent process of systematic review, appraisal and the best clinical findings to aid in the delivery of optimum clinical care. The guidelines are based on the best available scientific evidence, professional standards or expert opinion.
- **Medical necessity** - Refers to services or supplies for diagnosing, evaluating, treating or preventing an injury, illness, condition or disease, based on evidence-based clinical standards of care. Medically necessary services are accepted health care services and supplies provided by health care entities, appropriate to evaluation and treatment of a disease, condition, illness or injury and consistent with the applicable standard of care. Determination of medical necessity is based on specific criteria.
- **Member** - A person insured or otherwise provided coverage by a health insurance organization.
- **Utilization review** - A formal evaluation of the coverage, medical necessity, efficiency or appropriateness of health care services and treatment plans.

Procedure:

Non-Behavioral Healthcare

Discussing a Delegated UM Non-behavioral Healthcare Denial with a Reviewer

NMR provides practitioners the opportunity to discuss delegated UM non-behavioral healthcare denial decisions with a physician or other appropriate reviewer at the direction of its clients, the delegators. NMR is a delegated UM vendor for many clients, some of which submit delegated UM referrals to NMR and indicate “No Attending Provider Contact.” ***NMR follows the delegator’s direction in these cases. If agreed to on a contractual basis, NMR follows the following protocol.***

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If NMR is delegated the function of allowing the treating practitioner an opportunity to discuss a medical necessity denial in a delegated UM case, *then* NMR notifies the treating practitioner about the opportunity to discuss a delegated UM medical necessity denial:

- In the denial notification; or
- By telephone; or
- In materials sent to the treating practitioner, informing the treating practitioner of the opportunity to discuss a specific denial with a reviewer.

If NMR is delegated the function of allowing the treating practitioner an opportunity to discuss a medical necessity denial in a delegated UM case, *then* NMR includes the following information in the delegated UM file:

- The delegated UM denial notification, if the treating practitioner was notified in the delegated UM denial notification;
- The time and date of the delegated UM notification, if the treating practitioner was notified by telephone; and
- Evidence that the treating practitioner was notified that a physician or other reviewer is available to discuss the delegated UM denial, if notified in materials sent to the treating practitioner.

No actual evidence of a discussion with an attending or treating practitioner is required, nor are any discussions considered to be appeals.

Written Notification of Delegated UM Non-behavioral Healthcare Denials

NMR **does not** issue written notifications of delegated UM non-behavioral healthcare denials to members and their treating practitioners as this is a function that is retained by NMR's clients, the delegators.

NMR issues written notifications of delegated UM non-behavioral healthcare denials to its clients, the delegators, so that the delegators can issue written notifications to members and their treating practitioners. These delegated UM denial notifications contain the following information:

- The specific reasons for the delegated UM denial, in easily understandable language;
 - The delegated UM denial notification states the reason for the delegated UM denial in terms specific to the member's condition or request and does so in language that is easy to

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understand, so the member and practitioner understand why the delegated UM organization denied the request and so that they have enough information to file an appeal should they choose to do so.

- Delegated UM denial notifications include a complete explanation of the grounds for the delegated UM denial written in plain language so that a layperson will understand and does not include abbreviations and acronyms that are not defined or health care procedure codes that are not explained.
- A reference to the benefit provision, guideline, protocol, or other similar criterion on which the delegated UM denial decision was based.
 - Criteria used and referenced are specific to the member's condition or to the requested services.
 - Criteria referenced are identifiable by name and are specific to an organization or source (e.g., ABC's Criteria for Treatment of Hypothyroidism with Drug X).
 - For delegated UM denials resulting from medical necessity reviews of out-of-network requests, the criteria referenced may be:
 - Excerpts from benefit documents that govern out-of-network coverage; or
 - Insurer policies specifying circumstances where out-of-network coverage will be approved; or
 - Clinical criteria used to evaluate the member's clinical need relative to available network providers and services.
 - References specifically support the rationale for the delegated UM decision and relate to the reason for the request.
- An example of acceptable language documenting the reason for the delegated UM denial is as follows:
 - "After speaking with the treating physician, Dr. Jones, and reviewing the medical records, we have concluded that the requested rhinoplasty decision is not associated with a medical condition; it is for cosmetic purposes only. As indicated in ABC's Summary of Covered Benefits in the exclusions and limitations in covered benefits section, rhinoplasty for cosmetic purpose is excluded; therefore we cannot approve the request for this procedure."

NMR's clients, the delegators, (not NMR) are responsible for providing the members and treating practitioners with a statement that the members and treating practitioners can obtain a copy of the actual

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benefit provision, guideline, protocol, or other similar criterion on which the delegated UM denial decision was based, upon request.

- Acceptable language referencing decision-making criteria in the delegated UM case
 - For example, “After reviewing the criteria for wound treatment, which considers age, progress of treatment, and home environment assessment, we have determined the treatment of IV antibiotics and dressing changes can be provided at home.”
 - If there is not enough clinical information to reference a specific criterion, the delegated UM denial notice to the delegator states this along with the specific information needed.
- Language regarding how to obtain a copy of the criteria upon which the delegated UM decision was made is a function retained by the delegator, and is therefore provided to the member and treating practitioner by the delegator.

Non-behavioral Healthcare Notices of Appeal Rights/Process in Delegated UM Cases

Written non-behavioral healthcare delegated UM denial notifications to members and their treating practitioners including notices of appeal rights/processes are functions retained by our clients, the delegators. ***The delegator is responsible for providing all information regarding appeal rights and processes on delegated UM cases to include:***

- Description of appeal rights, including the right to submit written comments, documents, or other information relevant to the appeal;
- An explanation for the appeal process, including members’ rights to representation and appeal timeframes;
- A description of the expedited appeal process for urgent preservice or urgent concurrent denials; and
- Notification that expedited external review can occur concurrently with the internal appeals process for urgent care.

Behavioral Healthcare

Discussing a Delegated UM Behavioral Healthcare Denial with a Reviewer

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NMR provides practitioners the opportunity to discuss delegated UM behavioral healthcare denial decisions with a physician, appropriate behavioral healthcare reviewer, pharmacist reviewer, other appropriate reviewer at the direction of its clients, the delegators. NMR is a delegated UM vendor for many clients, some of which submit delegated UM referrals to NMR and indicate “No Attending Provider Contact.” ***NMR follows the delegator’s direction in these cases. If agreed to on a contractual basis, NMR follows the following protocol.***

If NMR is delegated the function of allowing the treating practitioner an opportunity to discuss a medical necessity denial in a delegated UM case, ***then*** NMR notifies the treating practitioner about the opportunity to discuss a delegated UM medical necessity denial:

- In the denial notification; or
- By telephone; or
- In materials sent to the treating practitioner, informing the treating practitioner of the opportunity to discuss a specific denial with a reviewer.

If NMR is delegated the function of allowing the treating practitioner an opportunity to discuss a medical necessity denial in a delegated UM case, ***then*** NMR includes the following information in the delegated UM file:

- The delegated UM denial notification, if the treating practitioner was notified in the delegated UM denial notification;
- The time and date of the delegated UM notification, if the treating practitioner was notified by telephone; and
- Evidence that the treating practitioner was notified that a physician or other reviewer is available to discuss the delegated UM denial, if notified in materials sent to the treating practitioner.

No actual evidence of a discussion with an attending or treating practitioner is required, nor are any discussions considered to be appeals.

Written Notification of Delegated UM Behavioral Healthcare Denials

NMR ***does not*** issue written notifications of delegated UM behavioral healthcare denials to members and their treating practitioners as this is a function that is retained by NMR’s clients, the delegators.

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NMR issues written notifications of delegated UM behavioral healthcare denials to its clients, the delegators, so that the delegators can issue written notifications to members and their treating practitioners. These delegated UM denial notifications contain the following information:

- The specific reasons for the delegated UM denial, in easily understandable language;
 - The delegated UM denial notification states the reason for the delegated UM denial in terms specific to the member's condition or request and does so in language that is easy to understand, so the member and practitioner understand why the delegated UM organization denied the request and so that they have enough information to file an appeal should they choose to do so.
 - Delegated UM denial notifications include a complete explanation of the grounds for the delegated UM denial written in plain language so that a layperson will understand and does not include abbreviations and acronyms that are not defined or health care procedure codes that are not explained.
- A reference to the benefit provision, guideline, protocol, or other similar criterion on which the delegated UM denial decision was based.
 - Criteria used and referenced are specific to the member's condition or to the requested services.
 - Criteria referenced are identifiable by name and are specific to an organization or source (e.g., ABC's Criteria for Treatment of Hypothyroidism with Drug X).
 - For delegated UM denials resulting from medical necessity reviews of out-of-network requests, the criteria referenced may be:
 - Excerpts from benefit documents that govern out-of-network coverage; or
 - Insurer policies specifying circumstances where out-of-network coverage will be approved; or
 - Clinical criteria used to evaluate the member's clinical need relative to available network providers and services.
 - References specifically support the rationale for the delegated UM decision and relate to the reason for the request.
- An example of acceptable language documenting the reason for the delegated UM denial is as follows:
 - "After speaking with the treating physician, Dr. Jones, and reviewing the medical records, we have concluded that the requested rhinoplasty decision is not associated with a medical

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condition; it is for cosmetic purposes only. As indicated in ABC's Summary of Covered Benefits in the exclusions and limitations in covered benefits section, rhinoplasty for cosmetic purpose is excluded; therefore we cannot approve the request for this procedure."

NMR's clients, the delegators, (not NMR) are responsible for providing the members and treating practitioners with a statement that the members and treating practitioners can obtain a copy of the actual benefit provision, guideline, protocol, or other similar criterion on which the delegated UM denial decision was based, upon request.

- Acceptable language referencing decision-making criteria in the delegated UM case
 - For example, "After reviewing the criteria for wound treatment, which considers age, progress of treatment, and home environment assessment, we have determined the treatment of IV antibiotics and dressing changes can be provided at home."
 - If there is not enough clinical information to reference a specific criterion, the delegated UM denial notice to the delegator states this along with the specific information needed.
- Language regarding how to obtain a copy of the criteria upon which the delegated UM decision was made is a function retained by the delegator, and is therefore provided to the member and treating practitioner by the delegator.

Behavioral Healthcare Notices of Appeal Rights/Process in Delegated UM Cases

Written behavioral healthcare delegated UM denial notifications to members and their treating practitioners including notices of appeal rights/processes are functions retained by our clients, the delegators. ***The delegator is responsible for providing all information regarding appeal rights and processes on delegated UM cases to include:***

- Description of appeal rights, including the right to submit written comments, documents, or other information relevant to the appeal;
- An explanation for the appeal process, including members' rights to representation and appeal timeframes;
- A description of the expedited appeal process for urgent preservice or urgent concurrent denials; and
- Notification that expedited external review can occur concurrently with the internal appeals process for urgent care.

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Pharmacy

Discussing a Delegated UM Pharmacy Denial with a Reviewer

NMR provides practitioners the opportunity to discuss delegated pharmacy denial decisions with a physician, pharmacist, or other appropriate reviewer at the direction of its clients, the delegators. NMR is a delegated UM vendor for many clients, some of which submit delegated UM referrals to NMR and indicate “No Attending Provider Contact.” ***NMR follows the delegator’s direction in these cases. If agreed to on a contractual basis, NMR follows the following protocol.***

If NMR is delegated the function of allowing the treating practitioner an opportunity to discuss a medical necessity denial in a delegated UM case, ***then*** NMR notifies the treating practitioner about the opportunity to discuss a delegated UM medical necessity denial:

- In the denial notification; or
- By telephone; or
- In materials sent to the treating practitioner, informing the treating practitioner of the opportunity to discuss a specific denial with a reviewer.

If NMR is delegated the function of allowing the treating practitioner an opportunity to discuss a medical necessity denial in a delegated UM case, ***then*** NMR includes the following information in the delegated UM file:

- The delegated UM denial notification, if the treating practitioner was notified in the delegated UM denial notification;
- The time and date of the delegated UM notification, if the treating practitioner was notified by telephone; and
- Evidence that the treating practitioner was notified that a physician, pharmacist, or other reviewer is available to discuss the delegated UM denial, if notified in materials sent to the treating practitioner.

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No actual evidence of a discussion with an attending or treating practitioner is required, nor are any discussions considered to be appeals.

Written Notification of Delegated UM Pharmacy Denials

NMR does not issue written notifications of delegated UM pharmacy denials to members and their treating practitioners as this is a function that is retained by NMR's clients, the delegators.

NMR issues written notifications of delegated UM pharmacy denials to its clients, the delegators, so that the delegators can issue written notifications to members and their treating practitioners. These delegated UM denial notifications contain the following information:

- The specific reasons for the delegated UM denial, in easily understandable language;
 - The delegated UM denial notification states the reason for the delegated UM denial in terms specific to the member's condition or request and does so in language that is easy to understand, so the member and practitioner understand why the delegated UM organization denied the request and so that they have enough information to file an appeal should they choose to do so.
 - Delegated UM denial notifications include a complete explanation of the grounds for the delegated UM denial written in plain language so that a layperson will understand and does not include abbreviations and acronyms that are not defined or health care procedure codes that are not explained.
- A reference to the benefit provision, guideline, protocol, or other similar criterion on which the delegated UM denial decision was based.
 - Criteria used and referenced are specific to the member's condition or to the requested services.
 - Criteria referenced are identifiable by name and are specific to an organization or source (e.g., ABC's Criteria for Treatment of Hypothyroidism with Drug X).
 - For delegated UM denials resulting from medical necessity reviews of out-of-network requests, the criteria referenced may be:
 - Excerpts from benefit documents that govern out-of-network coverage; or
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- Clinical criteria used to evaluate the member's clinical need relative to available network providers and services.
 - References specifically support the rationale for the delegated UM decision and relate to the reason for the request.
- An example of acceptable language documenting the reason for the delegated UM denial is as follows:
 - "After speaking with the treating physician, Dr. Jones, and reviewing the medical records, we have concluded that the requested rhinoplasty decision is not associated with a medical condition; it is for cosmetic purposes only. As indicated in ABC's Summary of Covered Benefits in the exclusions and limitations in covered benefits section, rhinoplasty for cosmetic purpose is excluded; therefore we cannot approve the request for this procedure."

NMR's clients, the delegators, (not NMR) are responsible for providing the members and treating practitioners with a statement that the members and treating practitioners can obtain a copy of the actual benefit provision, guideline, protocol, or other similar criterion on which the delegated UM denial decision was based, upon request.

- Acceptable language referencing decision-making criteria in the delegated UM case
 - For example, "After reviewing the criteria for wound treatment, which considers age, progress of treatment, and home environment assessment, we have determined the treatment of IV antibiotics and dressing changes can be provided at home."
 - If there is not enough clinical information to reference a specific criterion, the delegated UM denial notice to the delegator states this along with the specific information needed.
- Language regarding how to obtain a copy of the criteria upon which the delegated UM decision was made is a function retained by the delegator, and is therefore provided to the member and treating practitioner by the delegator.

Pharmacy Notices of Appeal Rights/Process in Delegated UM Cases

Written pharmacy delegated UM denial notifications to members and their treating practitioners including notices of appeal rights/processes are functions retained by our clients, the delegators. ***The delegator is responsible for providing all information regarding appeal rights and processes on delegated UM cases to include:***

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- Description of appeal rights, including the right to submit written comments, documents, or other information relevant to the appeal;
- An explanation for the appeal process, including members' rights to representation and appeal timeframes;
- A description of the expedited appeal process for urgent preservice or urgent concurrent denials; and
- Notification that expedited external review can occur concurrently with the internal appeals process for urgent care.