

# Insurance Prior Authorizations

## *What Families Need to Know*

This fact sheet will explain what a prior authorization is, who writes it, who reviews it and why families can and should be involved in the process.

### **What is a Prior Authorization?**

A **prior-authorization (PA)** is a decision by your health plan that a medical service, treatment, medicine or equipment is **medically necessary**. It is sometimes called an “authorization request” or “prior approval”. Often a therapist or other provider will fill out the PA paperwork, have it signed by the primary care doctor, and submit it with the necessary medical information.

### **Who is Responsible for Completing a Prior Authorization?**

In most cases the provider supplying the service or equipment (for example, the medical equipment vendor or therapist) is responsible for filling out the PA paperwork.

### **How Do I Know if a PA is Needed and When a New One is Required?**

Medicaid or the health insurance plan will let the provider know when or if a PA is needed and when it needs to be renewed. For example, the health insurance plan may approve five therapy visits and require that a new PA be submitted before more visits are approved.

### **Who Makes the Decision to Approve or Deny the Prior Authorization?**

For Wisconsin Medicaid, designated staff members at the state Department of Health Services approve or deny PA requests. Most HMOs and other health insurance plans also have designated staff members who review all PA requests. If the reviewers have questions about whether the service is medically necessary, they may send the PA back and ask for more information or documentation.

### **Can Families Influence the Prior Authorization Process?**

**Yes!** Families can be actively involved in the development of the prior authorization. This can help ensure that the PA will include all relevant information and will provide a complete picture of why the service or treatment is needed. Families can:

- Offer to review the PA for accuracy
- Offer to provide additional documents or background information
- Get letters from other providers or support people who work with the child

## What Do Medicaid and other Health Plans Consider with a PA?

Reviewers will consider the following:

- If an item or service is medically necessary and appropriate
- How much it will cost
- Whether it is likely to be effective, of high quality and prescribed at the right time for the child
- Whether there is a less expensive or more appropriate alternative
- Whether the provider or recipient has overused or misused services

## What are some reasons why a PA is denied?

A common reason for a denial is that the provider does not stress medical necessity. In addition, some providers are not familiar with submitting PA requests and the PA is submitted without all the necessary information. In rare cases providers may tell you something is not covered if they don't want to do a PA or if the first PA was denied.

Sometimes providers use certain terms when they complete a PA. Without knowing it, they might use the same terms the school used in the IEP and it looks like Medicaid is paying for something twice so they deny the PA due to ***Duplication of Services***.

## What does “duplication of services” mean?

When reviewing a PA, Medicaid will likely request a copy of your child's IEP to see if your child is already getting the same therapy or services being requested. Medicaid will not cover a service that is already being provided at school or should be provided at school. This is especially true because often the school bills Medicaid for the services at school as well!

If the PA is for therapy services, a family can work with the provider to make sure the therapy goals are related to functioning at home and in the community and not education related. To learn more, go to the Family Voices fact sheet on school-based and community-based therapy services.

### If you have questions or need help finding services contact the following organizations:

- **Regional Centers for Children and Youth with Special Health Care Needs** - a network of 5 centers dedicated to supporting families who have children with special needs at [dhs.wisconsin.gov/cyshcn/regionalcenters.htm](https://dhs.wisconsin.gov/cyshcn/regionalcenters.htm)
- **Wisconsin First Step** - a statewide information and referral hotline at **1-800-642-STEP (7837)** or [www.mch-hotlines.org/wisconsin-first-step](http://www.mch-hotlines.org/wisconsin-first-step)