

December 4, 2002

Dear Secretary Dube,

Thank you for the opportunity to meet regarding progress on the Medicaid prior authorization issues. It was our hope to convey our appreciation of work done by the Department of Health to date, share results of the consumer survey and reiterate the importance of additional changes to the process. Important changes including reconsideration of the intensity of current review as compared to return on investment and enhancement of the medical necessity definition as it applies to this process.

We wanted to be sure that our message was clear- **we are not seeking the complete elimination of prior authorization. We are seeking its reasonable application at a frequency & intensity level already available under current statute, administrative rule & DHFS Guidelines.** We are also interested in insuring that WI Medicaid definition for medical necessity be contemporary in its consideration of individuals with disabilities.

After further review of the numbers provided, we were pleased to see that prior authorization denials had dropped from 3.8% reported by the LAB for 2000 to 3.2% reported by Peggy for 2002. This represents a 16% decrease in PAs actually denied! We are confident that this change further supports our case for reducing the frequency & intensity of review in light of so few actual denials and therefore little actual savings.

We are reviewing further Peggy's numbers on the 54% of children receiving Medicaid-funded therapy services that do not require PA. Clarification is needed to ascertain the following:

- 1) Do these 54% non-PA services include hospital-based in/outpatient services?
- 2) Do these 54% non-PA services include MA-HMO's?
- 3) In what percentage of cases are all 35 visits utilized and no more?
- 4) Is it possible some MA kids need only evals? Only evals & limited treatment/consultation? Only acute interventions?
- 5) In what percentage of kids would ongoing services actually be beneficial but the provider is reluctant to PA- therefore the child is underserved?

We certainly do not view this number as representative of services delivered fraudulently and without meeting medical necessity guidelines-“ passing just beneath the radarscope of prior authorization”. In fact, as a therapist who has dedicated 6 years and ten of thousands of dollars in education and 22 years of service to children with special needs- I am taken aback at the implication that therapists-professionals are as a general rule unscrupulous & prone to abuse of the system. I know few more dedicated professionals than pediatric therapy providers.

As we endeavor to improve this system, it is our hope to move beyond suspicion and approach this issue as a group of professionals who care deeply for the individuals requesting services but apply resources in the most effective manner. Please help us to insure that these important messages are conveyed to the transition team and the DHFS staff who remain behind and implement these programs daily.

Sincerely,

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WCDD Medicaid Project Consultant