Overcoming Out-of-Area Challenges:
A Case Study on Retroactive Authorization Success in Prosthetics and Orthotics

Executive Summary

This case study explores the complexities of the revenue cycle management process in the healthcare sector, specifically focusing on the Prior Authorization (PA) process. It involves a critical scenario faced by Sunknowledge Services Inc., a leading healthcare Revenue Cycle Management (RCM) company, in serving a client specialized in Prosthetics and Orthotics. A particular claim required intervention due to a partial payment resulting from a denial of authorization for one unit of service. Through diligent follow-ups and strategic management of insurance providers and their intermediaries, Sunknowledge was able to rectify the situation, ensuring complete reimbursement for the client.

Introduction

In an increasingly complex healthcare landscape, the importance of an efficient revenue cycle management process cannot be overstated. Sunknowledge Services Inc. specializes in optimizing this process for its clients, focusing on components such as Prior Authorization, a critical yet often challenging step in healthcare reimbursement.

About Sunknowledge

Headquartered in New York, Sunknowledge is a pioneer in providing comprehensive Revenue Cycle Management solutions and telehealth consultations to healthcare organizations. The goal of Sunknowledge, Inc. is to revolutionize US healthcare by providing a consummate practice management solution using state-of-the-art technologies and processes to improve patient access, satisfaction and outcomes to improve quality of care and reduce cost.

Sunknowledge is an outsourcing company committed to delivering BPO/KPO services in the healthcare sector, especially involving Medicare and Medicaid domains. Sunknowledge, since its inception in 2007, has been providing innovative solutions and services to both payer and provider community. Backed with in-depth expertise in industry and business processes, rich pool of resources and a proven track record of managing transition and operations,

Sunknowledge delivers services on time without compromising on the quality of work processes. Sunknowledge truly and completely collaborates with its clients to help them grow exponentially by delivering the required services with greater efficiency, which in turn, lead to significant cost savings for the clients.

Sunknowledge, an ISO 9001:2008 & ISO 27001:2005 certified company, has been providing its services to all sectors of the healthcare domain – majorly including health plans and providers. The company's solutions and services include a variety of services, namely medical coding & billing, claims adjudication, credentialing, member enrollment & fulfillment, premium billing, utilization management, member & provider services and Telehealth administration.

Sunknowledge is committed to provide the best of breed solution which necessarily incorporates high quality delivery, a rapid risk-centric transition approach, and an aggressive cost structure for the services provided. Conclusively, Sunknowledge is a partner that can grow over time for higher-end administrative services in revenue cycle management, claims processing, clinical services, enrollment, billing and customer care.

There are a number of reasons that give Sunknowledge a competitive edge over the other service providers in this domain. The key differentiators are:

a) **Infrastructure** - *A highly scalable and robust infrastructure to scale up operations*

b) **Technology** - *State-of-the-art technology to support operations*

c) **Skilled Resources** - *Staff competency built on structured training, feedback and coaching*

d) **Standardization** - *Structured and standardized processes aligned with industry's best practices, with standards like CMMi-SVC & ITIL*

e) **Planned Approach** - *Project management approach to meet operational targets and adherence to SLA*

f) **Work Quality** - *Quality focus and process improvement*

g) **Hierarchical** - *Well defined governance structure and escalation matrix*

h) **Infrastructure Management** - *Service continuity supported by BCP and disaster management mechanisms*

i) **Industry Commitment** - *End user data privacy and protection through implementation of industry standard practices like ISO 27001:2005 & HIPAA*

Problem Statement

A claim dated 2/20/2023 was partially paid because one unit of service (L1970) was denied authorization. The claim was billed for two units, but only one unit was initially authorized. The insurance provider, BCBS NJ (Federal Plan), initially declined the initiation of a retroactive authorization due to the client's status as an Out-of-Area provider.

Analysis

The core issue was the denial of authorization for one unit of service, which resulted in a partial payment. This was compounded by the client's status as an Out-of-Area provider, which complicated the retroactive authorization process. Dealing with different entities - the insurance provider and Care Centrix National Claims Center (CCX), who handles authorization for Out-of-Area claims - added another layer of complexity to the situation.

Alternatives and Decision Criteria

The alternatives available to Sunknowledge were to either accept the partial payment or pursue the retroactive authorization for the denied unit. The decision criteria used were the potential reimbursement amount, the complexity of the process, the time and resources required, and the effect on the client relationship.

Recommendations and Implementation Plan

Sunknowledge decided to pursue the retroactive authorization. A comprehensive plan was devised to negotiate with both the insurance provider and CCX. The plan involved:

1. Communicating with BCBS NJ to discuss the possibility of retroactive authorization.

2. Contacting CCX to initiate the retroactive authorization process for the denied unit.

3. Submitting a Medical Document to CCX, demonstrating medical necessity for the additional unit.

Outcome

Sunknowledge's strategic approach resulted in the initiation of the retroactive authorization for the additional unit. After proving the medical necessity through appropriate documentation, CCX agreed to initiate the retroactive authorization process. This outcome validated Sunknowledge's approach and commitment to securing maximum reimbursement for its clients.

Conclusion

This case study highlights Sunknowledge's dedication to tackling complex challenges in the RCM process, specifically in the Prior Authorization process. Despite the complexities involved in dealing with multiple entities and handling Out-of-Area claims, Sunknowledge successfully navigated the process, demonstrating their expertise and commitment to their clients. The successful resolution of this case illustrates the value of an expert RCM partner in ensuring optimal financial outcomes for healthcare providers.