Instructional Guide:

Non-Quantitative Treatment Limitation Tool 1 - Prior Authorization

This document is the instructional guide for how to assess non-quantitative treatment limitations (NQTL) in your benefits. This document accompanies the two Excel spreadsheets (NQTL Assessment Tool, and Classifications for Analysis) where the NQTL analyses will occur. The first analysis will be on **prior authorizations**.

What are non-quantitative treatment limitations (NQTLs)?

NQTLs are limits on the scope or duration of benefits. The Centers for Medicare and Medicaid Services final rule issued March 2016 prohibits the application of non-quantitative limits (NQTLs) unless, under the policies and procedures of the state/MCO, as written and in operation, any processes, strategies, evidentiary standards, or other factors used in applying the NQTL to BH benefits in the classification are comparable to, and applied no more stringently than the processes, strategies, evidentiary standards or other factors used in applying the NQTL to M/S benefits in the classification.

Prior Authorization:

The process of obtaining approval for a service prior to the member receiving services. Prior authorization includes for example review of the member's eligibility, benefit coverage, medical necessity, place of service, and appropriateness of services.

Processes, Strategies, and Evidentiary Standards

Consider the policies, manuals, other documents, and practices that are related to PA and impact services and experiences of the individual beneficiary accessing these benefits.

Process: Explain the process (in writing and in operation) with which prior authorization is used in the BH benefits and M/S benefits by describing HOW and WHEN it is used. **Be as specific as possible. Include documentation or your policies/procedures with this spreadsheet.**

Think about your MCO's **general** prior authorization process and document it here. If different processes are used then please describe.

> **Consider the following:**
>
> - Describe the prior authorization process and associated procedures.
> - Who is assessing the prior authorization request?
> - Explain the what, when, and how prior authorizations are applied to the BH benefits.
> - Under what circumstances are prior authorizations used?
> - What qualifications or trainings are required for the person or persons who are implementing the prior authorization process?

Strategies: List, describe, and explain the **purpose and rationale** for using the NQTL on the BH benefit and for the M/S benefits.

> **Consider the following:**
>
> - Why is the prior authorization process used?
> - What is the rationale for applying prior authorization in that context?
> - What is the goal your MCO is attempting to achieve by applying prior authorization processes?

Evidentiary Standards: Describe the evidentiary used to justify the use of the NQTL or the processes and strategies for the use of prior authorization in the listed BH benefits

and M/S benefits identified in Step 1. They may be association practice guidelines or internal data.

Consider the following:

- What evidentiary standard do you use to justify the use of prior authorizations for this/these BH benefits? Be specific and document in the spreadsheet.
- What evidence supports the criteria or threshold for decision-making regarding the use of prior authorization? What outcome measures/standards indicate over or under application of prior authorizations?
- What standards form the basis of the NQTL requirements?
- What evidence supports the frequency with which prior authorizations are applied? What evidence supports the severity of the penalty applied?

Comparability and Stringency

This step is to analyze the **comparability** and **stringency** of the application of the NQTL in BH benefits in comparison to M/S benefits that were described in Step 4.

Comparability Test: Is the application of prior authorization for BH benefits **comparable** to the application of prior authorizations for M/S benefits?

Consider the following:

- Does the application of the NQTL (prior authorization) include similar components/processes/evidentiary standards for M/S benefits and BH benefits in writing and in operation?
- Are there differences in the application of the NQTL to BH benefits as compared to M/S benefits arbitrary?
- Are differences in the application of the NQTL to BH benefits consistent with practice guidelines?

Stringency Test Questions: Is the application of the NQTL to the BH benefit **more stringent** than the application of the NQTL for M/S benefits?

Consider the following:

- Is it harder to "pass" the NQTL for BH benefits than it is for M/S benefits?
- What consequences/penalties apply when the NQTL is not met?
- What level of performance is required for each NQTL component (e.g., how many pages in a form; telephonic v in-person requirements, number of studies required, days for completion)?
- Are all benefits in this classification subject to this NQTL?
- How much direction is allowed in applying the NQTL?
- How difficult is it to meet the threshold requirement of the NQTL between BH and M/S?
- Are the consequences more severe for failing to meet the NQTL requirements as they apply to BH benefits?

If unsure whether your NQTL on BH benefits violates parity, consider the following question:

Is there a disparate impact on BH benefits (e.g., higher denial rate) as compared to M/S benefits? While not determinative of parity noncompliance, disparate impact may be a sign of non-comparable or more stringent processes and strategies, or evidentiary standards that require more analysis.