

The benefits of true utilization management

Elizabeth Klunk, RN, BSN, CCM-R
Senior Vice President, Medical Management
Versant Health

In the world of health insurance, there are words and phrases that seem to dominate the industry.




There are the obvious ones that most people know, such as copay, deductible, covered charges, flexible spending account (FSA), and PPO and HMO. There are other, more obscure terms that are known within the industry, including medical necessity, allowed amount, indemnity plans, and medical management.

While most of these terms are rather specific in their definition, one seems to have shifted over the years from its original, intended meaning—medical management. In the most traditional of definitions, medical management is a collaborative practice that involves the coordination of IT and medical advisors to support “health, disease, care, and case management functions.”¹ The goal is to improve quality and outcomes of the healthcare being provided.

Pretty straightforward, right? You would think, but you’d be wrong. In today’s landscape, there are a number of rather loose interpretations of this original definition. Which begs the question: Are you truly getting what you think you are getting when someone promises medical management?

Probably not.

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Diluting the meaning of medical management

In managed care, medical management has traditionally meant working to determine best practices and services to improve both quality and outcomes. However, over the last decade or so, this term is being used more and more loosely and has become, arguably, misrepresented at best.

Today, medical management can mean anything from true utilization management (the purest definition) to pre- and/or post-claim submission, steerage, or the “gatekeeper” model. The result is a very common term that no longer lives up to its original definition.

For this reason, Versant Health is limiting its use of the term “medical management” and focusing instead on **utilization management**.

Defining utilization management

At Versant Health, utilization management is a critical part of the managed care process. It enables us to support both members and eye care professionals efficiently and effectively by providing:

- Continuity of care
- Single source administration
- Peer communication
- Procedural consistency
- Evidence-based medical policy criteria application
- Medical claims review
- Seamless intra-practice care coordination

In routine vision, what this means is, as a natural part of coverage, the member receives an eye exam and corrective wear, if needed. The eye care professional may also detect, during this exam, either an eye health concern or an overall health concern.

The eye care professional then enters their findings into the medical claims review system, where the review is identified and determined if they need to eliminate any unnecessary and/or duplicate diagnostic procedures, based on guidelines set out by the AMA, AOA, AAO, and/or NCCI.

This is then where utilization management kicks in. In the case of medical notations, prior authorization using evidence-based guidelines (set out by CMS and the AAO) is used to ensure services are rendered only when medically necessary.

Through this continuum of care, Versant Health is able to ensure the appropriate level of service, eliminate network management costs (as we delegate to our optometrist and ophthalmologist network), and help to prevent fraud, waste, and abuse. Additionally, we help to eliminate administrative burden by handling all network claims, payments, and customer service for the vision-related issues.

Finally, we are able to minimize leakage and overspending while simultaneously improving member care. This occurs at a couple of different levels. First, all claims are integrated across all levels of vision care, allowing for ease of information to transfer across health care providers. Second, our customized diabetic disease management Engagement Policy works to improve quality scores in that population.

Member and eye care professional benefits

Utilization management is clearly a strong concept on paper, but the proof really comes in the benefits to members and eye care professionals.

For members whose health plans include utilization management for vision, this means they not only have their routine vision exam coverage, but should their eye care professional detect an eye disease or chronic health condition, our utilization management system helps prevent a delay in care when that member then changes from routine coverage to their medical delivery system. It also minimizes referrals and follow-up appointments with specialists and helps broaden access to medical vision care services. We coordinate the care so the member can focus on more important things, like their health.

For eye care professionals, utilization management means simple administration. We provide peer communication with eye care professionals, coordinate seamless intra-practice care between ODs and MDs, and ensure procedural consistency across MCOs. We also then become the eye care professional's single source for contracting, claim submission and payment, and verification and authorization.

There is no doubt that utilization management allows you to deliver positive results for everyone involved. And this is even more critical when it comes to vision, given the breadth of health conditions that can be detected with a simple eye exam.



Utilization management in action



Integrated model

Fast, easy access to care for best outcomes

Clinical history

- 5-year-old boy
- No vision complaints
- In good health
- Does not wear glasses
- Regular visits to family pediatrician

Note: Children may have significant ocular disease but show no signs or symptoms.

Situation: During a routine eye exam, the optometrist discovers extensive vitreo-retinal inflammation, consistent with toxocara canis.

Reality: Prompt diagnosis and treatment are critical in intervening with a potentially blinding disorder.

Delivery system: The Member's MCO offers an integrated routine-medical vision delivery system, making it easy to access care.

Outcome: Before Member leaves the office, a follow-up appointment with an ophthalmologist is scheduled at that same office on the same day.



Non-integrated model

Delays in care that can threaten sight

Clinical history

- 54-year-old female
- No vision complaints
- Wears glasses
- Hypertension under control
- Sees primary care doctor regularly

Situation: Member is diagnosed with elevated intraocular pressures and visual field loss during an annual eye exam. These symptoms are consistent with primary open angle glaucoma.

Reality: Early diagnosis is critical to preserving vision, but is rarely made in the primary care setting.

Delivery system: Member must schedule appointment with a separate medical network. Many members delay or forget to do this.

Outcome: Member is referred to an ophthalmologist. Does not go to medical appointment for two more months.

Managed eye care is critical for health

We all appreciate the importance of good vision. In fact, blindness ranks as one of the top fears of aging Americans, along with stroke, Alzheimer's disease, diabetes, and heart disease.²⁻³

While most people recognize the importance of a routine annual physical to either prevent or detect many of these conditions, far fewer appreciate that an annual eye exam has long-reaching benefits beyond just vision correction, glasses, and/or contacts.

In reality, an eye exam plays a critical role in the early diagnosis of many medical disorders, as well as detecting the leading causes of blindness.

Routine eye exams provide a lifetime of vision

More than 40 million Americans are affected by some type of vision loss. For some, this may mean vision issues ranging from farsightedness and nearsightedness to presbyopia, all of which necessitate glasses or contacts.

On the medical side, conditions such as glaucoma, cataracts, macular degeneration, and diabetic retinopathy can range from mildly annoying to downright devastating. It can keep someone from activities they love, threaten their independence, and profoundly impact the quality of their lives and the lives of their loved ones.

Fortunately, during a routine eye exam, eye doctors look for a lot more than just vision correction. They are also looking for medical eye concerns, so patients can benefit from early detection of certain diseases.

Key among these are cataracts, glaucoma, macular degeneration, and diabetic retinopathy. Cataracts are the leading form of blindness. A cataract is a clouding of the normally clear lens of the eye. The number one cause of cataracts is age.

The second leading cause of blindness is glaucoma, an eye condition marked by damage to the optic nerve, often associated with elevations in the pressure inside the eye (intraocular pressure).

Age-related macular degeneration (also known as macular degeneration or AMD) is the third most common eye disease and affects more than 13 million men and women over age 50. It is characterized by a dark spot in the middle of the macula; the macula is a yellow-hued spot in the middle of the retina that is responsible for central vision and allows one to see fine details. A person suffering from AMD typically loses central vision, but maintains peripheral vision.

Finally, diabetic retinopathy is the fourth most common eye disease. When the amount of glucose in the blood is poorly controlled, the tiny blood vessels in the retina can react by breaking, swelling, leaking, or growing abnormally. This is diabetic retinopathy.

Patients with diabetic retinopathy experience blurred vision as the abnormal blood vessels in the retina leak fluid or blood. These changes may also occur in patients with poorly controlled blood pressure and is referred to as hypertensive retinopathy.

In all four cases, a routine eye exam can detect the signs and symptoms of each of these eye conditions in the early stages, but that's just the start. A routine exam is not only an "early detection" strategy for eye health, but overall health as well.

"Our team at Versant Health flags any signs of chronic disease that are detected and reported during a routine exam, often before the patient has even had a symptom. In this way, we are able to help them pre-emptively manage the disease with their primary care physician long before they've had an episode of care."

**Elizabeth Klunk, RN, BSN, CCM-R,
Senior Vice President, Medical Management, Versant Health**

An inside look at health

Research shows that a regular eye exam can identify a number of medical conditions, often before the patient even knows they have the disease. In fact, more than 25 chronic diseases can be detected with an eye exam, often before systemic symptoms are noticed. These include:

- Graves disease
- Sjogren's disease
- High cholesterol
- Rheumatoid arthritis
- Sarcoidosis
- Hypertension
- Cardiovascular disease
- Crohn's disease
- Diabetes
- Lupus
- Multiple sclerosis
- AIDS
- Sickle cell anemia

This was seen in one study in particular, which found that a routine eye exam detected signs of chronic disease long before any other health professional had noted the condition.⁴ Specifically, they found signs of high cholesterol 65 percent of the time, high blood pressure 30 percent of the time, and diabetes 20 percent of the time.⁴

This is particularly key with blood pressure, as uncontrolled high blood pressure (hypertension) is a leading risk factor for heart disease and stroke. Yet, one in five people with the condition are not even aware that they have it.⁵ In fact, research shows that many people first learn of their risk for hypertension, not from their cardiologist, but from their eye doctor.

Case in point: one study from 2015 found that, in one optometric practice alone, 21 percent of patients tested were found to have high blood pressure.⁶ Of these, 66.7 percent had no idea they had elevated levels.

It's a similar story with diabetes. Research shows that 20 percent of people first learn that they are diabetic as a result of an eye exam.⁴

But before you think that eye exams are only for the 50+ age group, science shows us that children are often behind the curve (and wrongly stigmatized) when vision is an issue.





Juvenile delinquency, learning disorders, and vision

While most parents take their children to the pediatrician for fairly consistent, scheduled wellness exams, research shows that they are less vigilant about their child's vision. According to the Better Vision Institute, only 14 percent of children have had a comprehensive vision exam before they enter first grade.

This belies the American Optometric Association's guidelines that all children should have had three exams by this time: one at six months, one at age three, and one again before entering school. The reason for these early exams? One in 10 children (10 percent) is at risk for an undiagnosed vision issue.

While many schools do perform vision screenings on site, studies show that these basic screenings (such as the Snellen eye chart) only detect 20-30 percent of vision problems in schools. This means that nearly 80 percent of children with a vision issue are getting lost in the shuffle, often being wrongly labeled as having a learning issue. This was highlighted in a study where researchers discovered that 95 percent of nonreaders in first grade had significant vision problems. In fact, they had nearly 2.5 times more visual problems than first grade high achievers.

This makes sense on many levels, especially when you consider that UCLA doctors found that 80 percent of learning in the classroom is visual. Therefore, when children cannot see, they likely cannot learn as well, either. This was proven out when teachers reported that glasses help students become more engaged in the classroom. When kids were better able to see a classroom board and read the words in a book, they were not only more confident about participating in class, but the class as a whole experienced fewer disruptions.

This was also seen in the California juvenile detention system. Researchers found that 35 percent of adolescents in juvenile detention centers had uncorrected refractive errors, as compared to 22 percent in the public school system. Even more telling is that when the children in the system received on-site optometric vision therapy, recidivism (repeat offenses) reduced from 45 percent to just 16 percent.

Clearly eye exams do more than just check your ability to read or see distances. They give you an inside look into your health, reduce your risk for chronic disease, and may even help keep our children in the classroom, achieving their dreams.

Bringing utilization management to vision

There is no doubt that utilization management is best practice when it comes to managed care. And there's no doubt that managed care is best practice when it comes to vision.

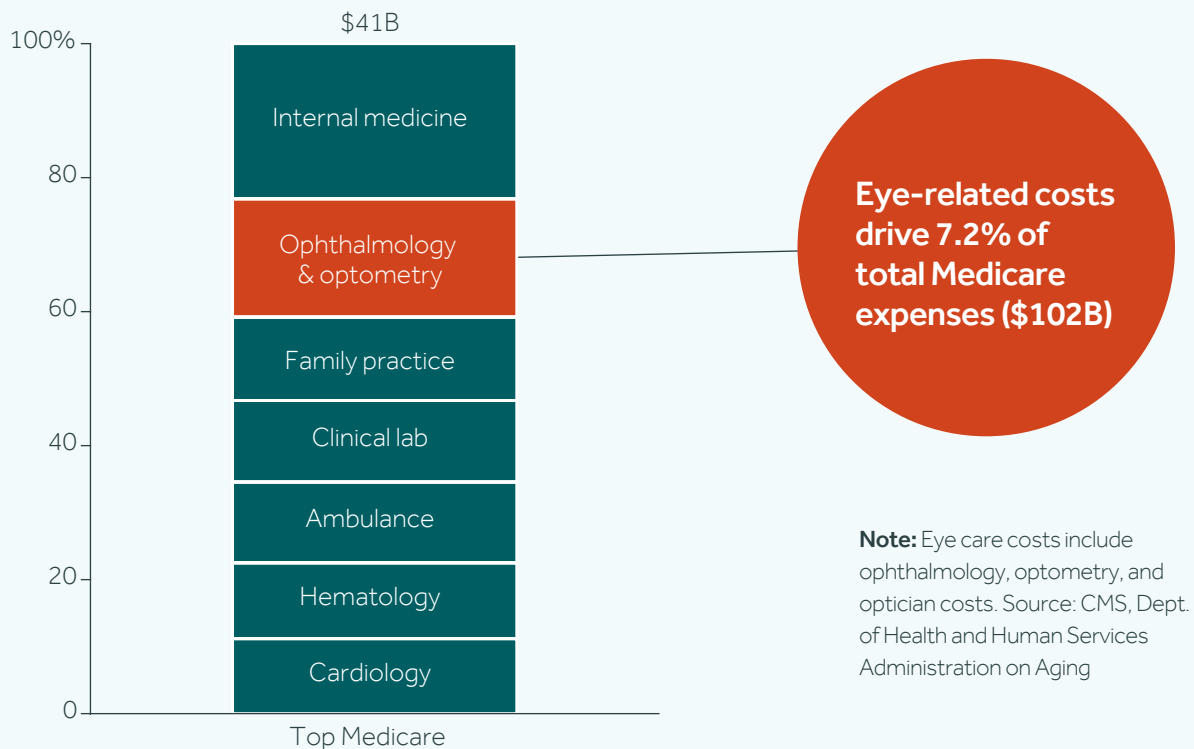
The next common sense step, then, is to implement utilization management in the vision managed care space. Health plans often have carve-outs for behavioral health, imaging, etc.; now is the time to include vision in that group.

Why vision medical management?

Current cost trends

Ophthalmology is the second largest Medicare cost specialty

Top 7 Medicare Part B costs 2015



Disease, vision, and the aging population

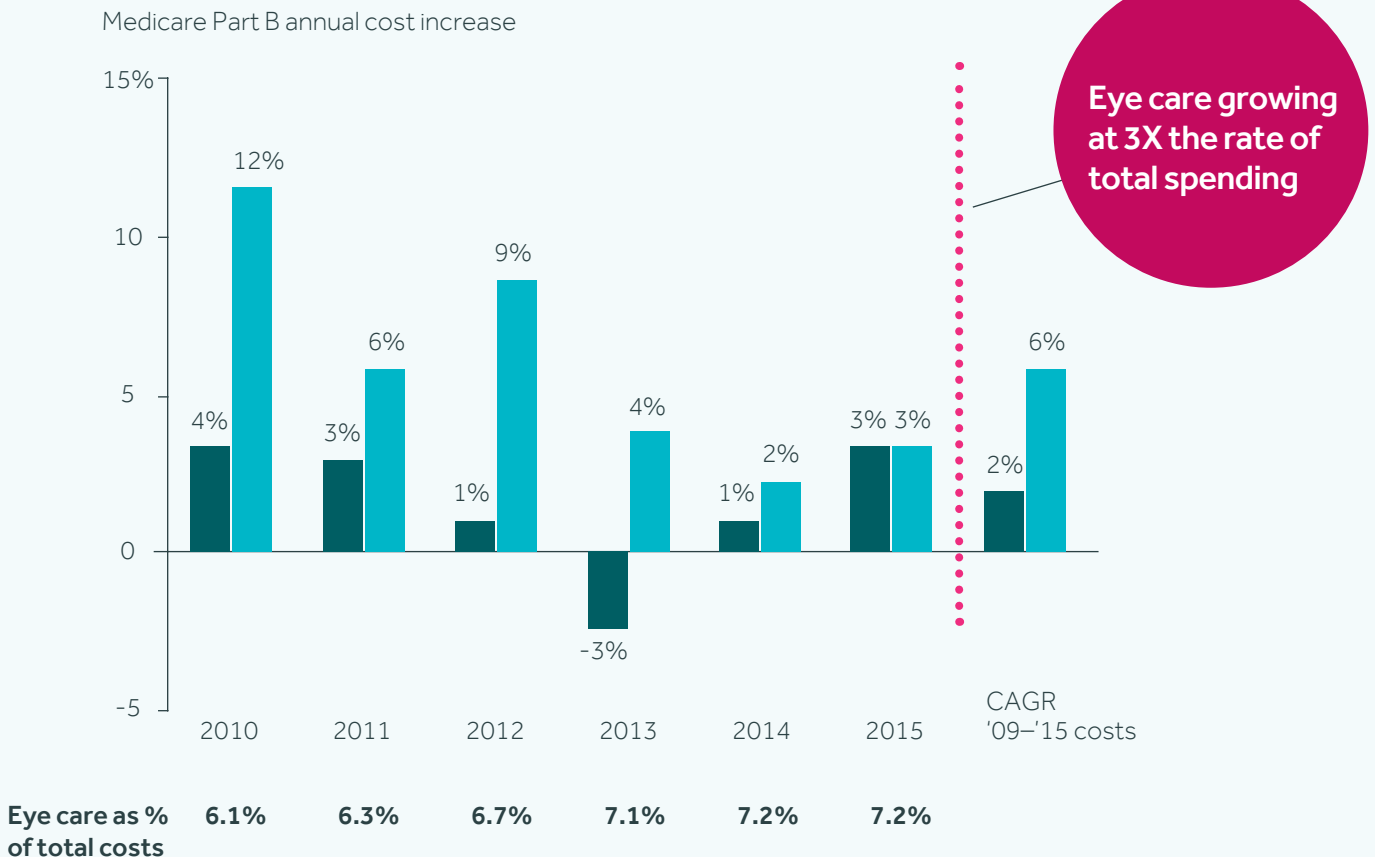
Our population is aging. According to the AARP, there are nearly 109 million Americans age 50+, with this same demographic growing over the next decade to 19 million (as compared to a growth of just six million in the 18-49 age group).¹² And as this population ages, so does their risk for chronic disease.

The Alzheimer's Association notes that 5.6 million Americans age 65 and older are living with Alzheimer's dementia. Additionally, a 2017 study found that seniors with visual impairment

were up to 2.8 times more likely to have cognitive dysfunction or dementia.¹³

Similarly, heart disease risk increases after age 50, while incidence for stroke doubles with each decade after the age of 45.¹⁴ The story is similar for diabetes, with more than 25 percent of Americans age 65 and older having the disease.¹⁵ This then increases the risk for diabetes-related blindness, as diabetes is the leading cause of preventable blindness in adults.

Eye care costs have been growing at a faster rate than total Medicare costs



Not only do these diseases take a toll on your health and vision, but on your wallet as well. Stroke—the leading cause of long-term disability in the United States—alone costs the U.S. an average of \$34 billion each year.¹⁶ But that's a drop in the bucket compared to diabetes, which totals an estimated \$327 billion annually, with \$237 billion coming from direct medical costs and \$90 billion coming from decreased productivity.¹⁷

Looking at Medicare reimbursement, Alzheimer's leads the pack. Studies show that in 2018, Medicare and Medicaid will spend \$186

billion caring for someone with Alzheimer's/dementia.¹⁸ In fact, one in every five Medicare dollars goes to someone with the disease.¹⁸

And while eye disease costs are relatively low comparatively, ophthalmology and optometry are the second highest cost specialty for Medicare expenditures.¹⁹ Specifically, eye-related costs drive 7.2 percent of total Medicare expenses (\$102 billion). In fact, eye care costs have been growing at a faster rate than total Medicare costs—three times as fast to be exact.

Consistent cost savings with utilization management

Due to the changing landscape in our aging population, having a managed vision care provider that practices true utilization management means consistent cost reduction. In fact, Medicaid and CHP plans benefit from ensuring that medically related vision services are appropriate, and billed according to NCCI and AOS standards.

This was seen in one Versant Health health plan client in particular. Before working with our team, the client had 3,700 approved cataract procedures per month. After working with us, that number was reduced by 30% in the utilization of cataract surgeries, resulting in a total implied annual savings of \$687,000. The majority of the savings was due to reduction of complex cataract procedures to simple cataract procedures.

There were similar savings when it came to testing, with pre-Versant Health approved procedures coming in at 34,700 per month, but dropping to 29,500 monthly within a year, resulting in a total implied annual savings of \$121,000.

Additionally, annual surgeries also dropped from 11,100 per month before working with Versant Health to being cut nearly in half (6,300/month) within a year. This resulted in a total implied annual savings of nearly one million dollars (\$941,000).

In fact, utilization management ensured appropriate medical necessity of the top seven procedures, including iridotomy/iridectomy, complex cataract, intravitreal injection, PRP laser, YAG, cataract, and focal laser. Not only did approvals for these procedures decrease after the implementation of utilization management, but it generated a 17 percent cost reduction.



Technology and applications updates

Of course, this level of utilization management necessitates the use of an integrated systems platform that address technology and applications capabilities.

At Versant Health, our fully integrated health systems platform facilitates:

- Claims adjudication
- Prior authorization
- Claim review
- Member services
- Comprehensive reporting

Specifically, we've made significant investments in our IT infrastructure and technology. Having a strong IT platform allows us to facilitate the integration of routine and medical services, as well as a single source database to support our comprehensive eye care programs, including management of medically complex populations. The IT systems we use support:

- Claim capture
- UM/CM and claim administration
- Customer service
- Web services

We also provide a highly configurable reporting platform and are set up to receive and transmit electronic data in HIPAA standard, as well as other additional formats. Plus, we have HITRUST certification, SOC 1, and our data exchange takes place via a secured FTP. In other words, we ensure the highest level of security across all of our technological platforms.



Versant Health provides true utilization management

At Versant Health, we provide true utilization management, and we've been doing so for more than 25 years.

That's why Versant Health has more than 33 million members, is the nation's largest government-sponsored vision benefits provider, supports 79 health plans, and has nearly three decades of experience delivering wellness exams and eyewear, medical claims review, and medical utilization management. Along with NCQA accreditation in process, a fully integrated IT platform, HITRUST certification, and automation of reporting and processes, we have the depth and breadth of industry expertise.

This starts at the top with Mark Ruchman, MD, Versant Health's Chief Medical Officer, who provides all medical and clinical oversight, including quality improvement, clinical guidelines, and accreditation standards. Additionally, as Senior Vice President of Medical Management, Liz Klunk, RN, BSN, CCM-R, ensures that Versant Health maintains the highest quality of clinical and operational services.

Lastly, we rely on the support of our industry standard setting Medical Policy Council, who reviews claims, provides medical and clinical oversight, and works with Dr. Ruchman on developing clinical guidelines. This impressive group includes:

- **Megan Collins, MD** (Pediatric Ophthalmology and Medical Ethics, Wilmer Eye Institute/Johns Hopkins Medical Institutions)
- **Gerard D'Aversa, MD** (Cornea and External Disease, Ophthalmic Consultants of Long Island (NY))
- **Scott Greenstein, MD** (Cataract Surgery, Massachusetts Eye and Ear Infirmary/Harvard Medical School)
- **Jason Horowitz, MD** (Retinal Surgery, Harkness Eye Institute/Columbia University Medical School)
- **Howard Levin, OD** (Comprehensive Optometry, Levin Eyecare (MD))
- **Robert Loeb, MD** (Comprehensive Ophthalmology, University of Maryland)
- **Mark Mayo, MD** (Cataract and Refractive Surgery, Eye Center of Texas)
- **Alan Robin, MD** (Glaucoma, Wilmer Eye Institute/Johns Hopkins Medical Institutions and University of Michigan)
- **Bradley Smith, OD** (Comprehensive Optometry, Prime Eye Care PC (AZ))
- **Richard Sturm, MD** (Glaucoma, Ophthalmic Consultants of Long Island (NY))

When it comes to managed vision care, you can have an insurance provider that simply moves your claim along, or one that digs in, evaluates your claims, and saves you both time and money. That's the benefit of utilization management.

And that's the benefit of Versant Health.

About Versant Health

Versant Health is one of the nation's leading managed vision care companies serving more than 33 million members nationwide. Through our Davis Vision plans and Superior Vision plans, we help members enjoy the wonders of sight through healthy eyes and vision. Providing vision and eye health solutions that range from routine vision benefits to medical management, Versant Health has a unique visibility and scale across the total eye health value chain. As a result, members enjoy a seamless experience with access to one of the broadest provider networks in the industry and an exclusive frame collection. Commercial groups, individuals, third parties, and health plans that serve government-sponsored programs such as Medicaid and Medicare are among our valued customers.

For more information visit versanthealth.com.

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881 Elkrige Landing Road,
Suite 300
Baltimore, MD 21090