



*Promoting Quality Health Care*

*Through Accreditation, Education & Measurement*

## Statement of Alan P. Spielman, President and CEO, URAC

Written Testimony Provided to the  
House Committee on Ways and Means

Health Reform in the 21<sup>st</sup> Century:  
Reforming the Health Care Delivery System

April 15, 2009

Chairman Rangel and Members of the Committee:

URAC appreciates the opportunity to provide written comments to the Committee as it addresses reform of the health care delivery system. URAC, a nationally recognized health care accreditation organization, shares the Committee's objectives to improve health care quality and promote better care coordination. URAC works toward these goals by bringing diverse health care stakeholders together to develop voluntary accreditation standards that set the bar for health care organizations and encourage continuous quality improvement. Our clients span the breadth of the health care spectrum and include care management companies, health plans, pharmacy benefit managers, utilization review organizations, and other health vendors doing business both in the commercial sphere and through government programs like Medicare and Medicaid.

Regardless of the precise direction of legislative reform, sustained improvements in the health care delivery system will require the innovations, clinical expertise and service capabilities of health plans and other care management organizations working in collaboration with health care providers and consumers. For example, strategic approaches such as case management and disease management incorporate collaborative practice models to identify and engage patients with chronic illness or high cost conditions who will benefit from improved self-management (e.g., diet, exercise, and medication adherence) and evidence-based medical treatment. Collaborative programs such as these capitalize on patient data, the clinical expertise of health providers, and the coordination capabilities of managed care working together to provide the most in-need patients with the best health information and the most medically appropriate interventions.

Private accreditation organizations such as URAC play a valuable role in our health care system by defining and synthesizing innovative practices such as those described above to drive improvements across the industry. Through the accreditation process, URAC galvanizes health care organizations to keep pace with health care advancements more readily than if undertaken by legislation or regulation. Companies undergo URAC reviews on a two or three year cycle to establish compliance with contemporary standards and encourage adoption of leading health management approaches. During the accreditation review, our team of clinical reviewers works with health organizations to share best practices and validate their quality improvement efforts.

URAC's educational approach to accreditation yields conclusive results; accredited companies regularly emerge ahead of the curve in adopting practices that protect and empower consumers and ensure clinical and organizational quality. For example, CVS Caremark was recently lauded at URAC's 2009 Best Practices Awards Conference for their strategy to reduce adverse drug events by promoting direct contact between patients and physicians. Participants were enrolled in the drug therapy management program through referrals from practitioners (e.g., case managers) and offered ongoing physician consultation availability featuring concrete medication utilization recommendations. By promoting similar evidence-based innovations at the management level, URAC drives health care organizations to voluntarily adopt improvements that promote coordination and ripple through the entire health care delivery system.

Accreditation by an external organization such as URAC promotes transparency and accountability within the health care delivery system. Companies seek accreditation under URAC standards to improve internal operations and demonstrate to consumers, participating providers, and clients that they have undergone a rigorous external review to validate the quality of their services. Moreover, purchasers in both the private and government sectors recognize URAC accreditation as a meaningful seal of approval as they evaluate bids and select vendors.

As Congress embarks on this important effort to improve the nation's health care system, we stand ready to provide resources about quality standards, measures, and operational review functions and to support public/private partnership solutions in the health care system, as we have for the past 19 years. It is our hope that you find the following description of URAC's role within the health care industry informative to your ongoing reform discussions.

### **Overview of URAC**

URAC is an independent, nonprofit organization whose mission is to promote continuous improvement in the quality and efficiency of health care management through the processes of accreditation, education and measurement. Our strategic priorities are to:

- Enhance Continuity of Care;
- Encourage Transparency: Cost & Performance/Quality Data;
- Engage Consumers in their Health Care Management;
- Enhance Operational Management Effectiveness; and
- Engender Support for Evidence-Based Decision-Making

To support these goals, our Board of Directors represents the full spectrum of stakeholders interested in our health care system, including consumers, employers, health care providers, health insurers, purchasers, workers' compensation carriers and regulators.

Incorporated in 1990, URAC pioneered utilization management accreditation by creating a nationally recognized set of standards to ensure accountability in managed care determinations of medical necessity.

As the health care industry evolves, URAC continues to address emerging issues: we now offer over 25 accreditation and certification programs across the health care spectrum:

- Case Management
- Claims Processing
- Consumer Education and Support
- Core Organizational Quality
- Credentialing Support
- Credential Verification Organization
- Disease Management
- Drug Therapy Management
- Health Call Center
- Health Content Provider
- Health Network
- Health Plan
- Health Provider Credentialing
- Health Utilization Management
- Health Web Site
- HIPAA Privacy
- HIPAA Security
- Independent Review Organization
- Mail Service Pharmacy
- Medicare Advantage Deeming
- Pharmacy Benefit Management
- Specialty Pharmacy
- Vendor Certification
- Wellness
- Workers' Compensation Pharmacy Benefit Management
- Workers' Compensation Utilization Management

### **Government Recognition of URAC Accreditation**

Federal and state policymakers recognize the value of private accreditation to promote cost-efficiency and to ensure that their constituencies receive quality health care. At the federal level, four federal agencies recognize URAC accreditation. The Centers for Medicare and Medicaid Services recognize URAC Medicare Advantage Health Plan Accreditation for the Medicare Advantage (formerly Medicare+Choice) Program; the Office of Personnel Management recognizes all URAC accreditation programs under the Federal Employee Health Benefits Program; TRICARE/Military Health System recognizes URAC's Health Network Accreditation, Case Management, Disease Management, and Utilization Management Accreditations; and the Department of Veterans' Affairs recognizes URAC's Health Call Center Accreditation.

Many states have found URAC's accreditation standards helpful in meeting regulatory requirements for managed care plans and other health care organizations and functions. Thirty-nine states and the District of Columbia currently reference accreditation through statute, regulation, agency publication, Request for Proposal or contract language, making URAC the most recognized national managed care accreditation body at the state level.

### **URAC Standards: Establishing Quality Benchmarks**

URAC accreditation serves as a symbol of excellence in the health care industry, promoting prevailing industry standards and consumer protections. In the rapidly evolving field of health care, URAC standards are developed through a dynamic process that identifies best practices and promotes high quality performance measurement. All stakeholders in the health care arena actively participate with URAC in developing these quality benchmarks through an inclusive process that incorporates an opportunity for public comment.

URAC's standards development process begins with a period of careful research, debate and discussion among stakeholders. An initial set of standards is then proposed and made available for a public comment and review. URAC's advisory committees review the submitted comments, make appropriate changes, and the draft standards are then beta tested with a discrete group of companies in order to ensure that they work in practice. After beta testing, the standards may be modified again, and then they are forwarded to URAC's Board of Directors for consideration and approval. URAC revises its standards through this process at least every three years.

### **URAC Accreditation Review Process**

The URAC accreditation review process begins with applicants for accreditation submitting material through AccrediNet, URAC's secure online application system. When an application arrives, a reviewer is assigned to conduct an assessment of the submitted documentation for compliance with URAC standards. Any standard that appears non-compliant is noted and communicated to the client with a recommended course of action to meet the standard. Then an onsite review is conducted for each applicant.

URAC staff reviewers are clinical experts who provide application support through the entire accreditation process, including a sharing of best practices during the onsite review. The objective of the onsite review is to verify operational compliance with URAC standards. URAC reviewers, for example, interview the applicant's staff and review a statistically valid sampling of relevant documentation, including specific quality information. With respect to quality data, URAC accepts nationally recognized measures, such as HEDIS measures to evaluate plan performance and CAHPS data to evaluate consumer satisfaction. URAC may also consider other credible, CMS-recognized quality measures such as the Wisconsin MEDDIC-MS and MEDDIC-MS SSI Performance Measures.

The findings from an applicant's onsite review are anonymously presented to the URAC committees that make the accreditation determinations through an Executive Summary report. Committee members include industry peers and experts such as physician providers, plan physicians, quality management professionals, information technology experts, pharmacists and security/privacy officials. Levels of accreditation are awarded in accordance with corporate policy and URAC's accreditation scoring methodology. Applicants receive an official notification letter with their accreditation status and a certificate of accreditation.

### **URAC Accreditation Standards-At-A-Glance**

URAC accreditation programs are comprised of modules, or sets of standards. The Core Organizational Quality Standards serve as the foundation of URAC accreditation, and this module is part of each URAC accreditation program, with the exception of URAC's Health Information Technology accreditations. The Core standards address several key organization functions that are important for any health care organization:

<b>URAC Core Organizational Quality Standards</b>	
Organizational Structure Defined	Communication Practices Monitored
Policies and Procedures Articulated	Confidentiality Maintained
Clinical Oversight	Access to Services
Staff Qualifications Defined	Promotes Consumer Safety
Staff Credentialing Enforced	Promotes Consumer Satisfaction
Robust Staff Training	Rigorous Complaints and Appeals
Rigorous Information Management	Quality Management Program Defined
Rigorous Regulatory Compliance	
Delegation to Business Partners Monitored	Robust Quality Improvement Projects
HIT Business Continuity Plans (2009)	Health Literacy (2009)

URAC Health Utilization Management Accreditation is URAC's premier program. Pioneered in 1990, it presented the first-ever industry standards for utilization management and transformed the industry. URAC Health Utilization Management Standards serve as the basis for many states' laws and regulations and are the most widely recognized utilization management standards at the state and federal level. The standards address key issues in medical necessity decisions:

<b>URAC Health Utilization Management Standards</b>	
Review Criteria	Time Frames for Initial UM Decision
Accessibility of Review Services	Notice of Non-Certification Decisions
On-site Review Services	Notice of Certification Decisions
Initial Screening	UM Procedures
Initial Clinical Review	Information Upon Which UM is Conducted
Peer Clinical Review	
Peer-to-Peer Conversation	Appeals Considerations

URAC broke new ground in care coordination in 1999, and established the first of its kind guidelines and protocols for the evolving field of institutional Case Management in health, behavioral health and worker's compensation. URAC Case Management Accreditation, developed with the support of the Case Management Society of America, is the only program of its kind and specifically addresses this health care organization practice aimed at better meeting patients' needs and improving their treatment outcomes by coordinating the full continuum of care. URAC standards look at:

<b>URAC Case Management Standards</b>	
CM Policies and Procedures	Consumer Protection
Information Management	Collaboration with Physicians
Case Management Criteria	Case Management Qualifications
Case Management Disclosure	Case Management Training
Case Management Consent	Case Management Caseload
Case Management Tools	Ongoing Professional Training
Case Management Assessment	Case Management Complaints

Case Management Plan	Patient Empowerment
Case Management Dispute Resolution	Respect of the Patient

URAC continued to set quality benchmarks for care coordination in 2001, when it launched Disease Management Accreditation. These program standards contemplate coordinated health care interventions and communications for populations with conditions (e.g., diabetes) in which patient self-care efforts are significant. Disease Management supports the practitioner-patient relationship and plan of care, emphasizes prevention utilizing evidence-based practice guidelines and patient empowerment strategies, and evaluates outcomes with the goal of improving overall health. URAC standards address:

<b>URAC Disease Management Standards</b>	
Evidence Based Care	Coordination of Services
Personalized Care	Staffing for DM Programs
Patient Empowerment & Privacy	Clinical Decision Support Tools
DM Program Design	Telephonic Access
Collaboration with Physicians	Program Interventions
Shared Decision-making with Consumers	Performance Measurement/Reporting
Consumer Rights and Responsibilities	Methods for Managing Eligible Populations

In 2007, URAC once again set the bar in a new area of the health care sector, with the release of the first-ever national accreditation standards for pharmacy benefit management and drug therapy management. URAC worked with health care leaders and customers of pharmacy benefit management services for two years to develop quality indicators for the industry. URAC Pharmacy Benefit Management Accreditation and Drug Therapy Management Accreditation speak to the array of sophisticated administrative, clinical and financial management services provided by this sector. For example, the areas addressed by URAC standards include:

<b>URAC Pharmacy Benefit Management Standards</b>	
Concrete Consumer & Client Disclosure	Clinical Review Criteria
Robust Communication Safeguards	Scope of Drug Utilization Management Defined
Scope of Pharmacy Distribution Channels	Consumer Safety Process Requirements
Articulated Criteria for Access & Availability	Non-Formulary Exceptions
Articulated Criteria for Quality & Safety	Up-To-Date Formulary w/ Optimum Therapeutics
Network Access & Availability	Formulary Appeals Process, Includes Peer Clinical Review
Pharmacy Contracting & Subcontracting	Process To Promote Rational, Clinically Appropriate, Safe& Cost Effective Drug Therapy
Claims Processing Standardized	Formulary Decisions: Safety, Efficacy and Therapeutic Before Cost Factors
Coverage Decisions Based on Clinical Information	Expedited and Standard Appeals Review Defined

URAC has made similar achievements in setting quality benchmarks in other areas of health care management, health care operations, and health information technology and pharmacy quality management. We would be pleased to share copies of URAC accreditation standards and additional

program overviews with the Committee as it moves forward with its deliberations on health care reform. Members and staff are also invited to URAC's educational programs and workshops, where the implementation of our quality standards are explored in detail.

### **Value of Accreditation**

URAC's practice of bringing the entire scope of experts and stakeholders to the table ensures that URAC is creating contemporary accreditation standards that are both meaningful and achievable. Numerous jurisdictions have either "deemed" URAC accreditation to satisfy state or federal requirements or have modeled their requirements on URAC standards because they recognize the effectiveness of public/private partnership solutions in the health care system. In addition, the National Association of Insurance Commissioners (NAIC) and the National Conference of State Legislators (NCSL) have each acknowledged the benefits that accrue from "partnerships between state regulators and private accreditation entities." In a "LegisBrief" on managed health care accreditation, the NCSL identified some of these benefits:

- Multistate managed care organizations can meet different states' regulatory requirements through a single set of nationally recognized standards;
- States benefit because accreditation quality standards are updated regularly, keeping pace with health care advancements more readily than if undertaken by legislation;
- States are assured that health care quality standards reflect the national scope of experience; and
- Consumers are provided evidence that managed care organizations have made a commitment to quality measured against national standards of practice.

("LegisBrief," *Managed Health Care Accreditation* (Richard Cauchi, November/December 1998))

Accreditation standards are also valuable because they:

- Drive improvements in health care as a consequence of an impartial and rigorous evaluation process undergone by companies seeking to meet URAC standards;
- Support ongoing quality improvement by continually adjusting benchmarks to reflect best practices;
- Provide transparency and accountability through nationally recognized and publicly available standards; and
- Incorporate consumer perspectives into the standards development process.

### **Conclusion**

URAC appreciates this opportunity to inform the Committee about URAC and our standards for quality assurance in health care. We hope that our accreditation standards and operational reviews will be helpful to your efforts to improve health care quality and promote better care coordination. Additional resources are available through the policy maker portal on the URAC website (<http://www.urac.org/policyMakers/resources/>).

Please do not hesitate to contact URAC Vice President for Government Relations, Product Development and Education John DuMoulin ([jdumoulin@urac.org](mailto:jdumoulin@urac.org), 202/962-8836) and URAC Government Relations Director Mara Osman ([mosman@urac.org](mailto:mosman@urac.org), 202/962-8838) for additional information and resources as the Committee continues to address issues related to health care reform.

Thank you for your time and consideration.