



NAIRO position paper

Accredited, Compliant IROs Lead the Way to Fair and Transparent Medical Review

Introduction

The National Association of Independent Review Organizations (NAIRO) seeks to clarify the guiding principles of independent review organizations (IROs), eliminate common misperceptions, and highlight the important role that accredited and compliant IROs play in determining a fair process – for all parties, including health plans, consumers and the industry as a whole – during medical review on appeals.

Accredited IROs are guided by the rigorous Independent Review Organization Accreditation Standards developed by URAC, a nationally recognized accrediting body and health education organization. The URAC standards, which govern both internal and external review, are designed to maintain quality review mechanisms through a thorough attestation process. The standards target important areas of the IRO process, such as setting a threshold for reviewer qualifications, mitigating conflicts of interest, and ensuring a full and fair review process for all stakeholders.

Further, NAIRO organizations adhere to the Uniform Health Carrier External Review Model Act (the Model Act) of the National Association of Insurance Commissioners (NAIC), an industry standard governing the rules, timelines, strictures and other important parts of the external review process.

Background of this position paper

Recent feedback from various leaders and organizations within the advocacy community has spurred NAIRO to better define the roles and responsibilities of the IRO within the broad scope of the internal and external review process. The feedback, which at times has been critical, is important to ensuring a fair and balanced independent medical review process that is free of conflict of interest and holds itself to the highest standards of quality and transparency.

Below we'll discuss the regulatory structures, including URAC standards and industry best practices, which give accredited IROs a solid foundation from which to address potential issues and maintain quality review excellence.

Solving a complicated review structure

Conflict of interest

Accredited IROs adhere to several standards and guidelines intended to avoid issues of conflict of interest, including guidance within the Model Act and URAC accreditation standards.

The Model Act states that IROs must act as separate business entities from health plans (Section 13, C). Specifically, the Act stipulates that IROs “may not own or control, be a subsidiary of or in any way be owned or controlled by, or exercise control with a health benefit plan, a national, state or local trade



association of health benefit plans, or a national, State or local trade association of health care providers.”

Further, URAC accreditation standards mandate certain requirements for review organizations that provide both internal and external review services. To be in compliance with URAC’s conflict-of-interest standards, if required by the state they are doing business in IROs must disclose the names of the organizations, when prompted by the state, for which it provides internal review. This information must be provided even if the IRO has non-disclosure agreements with its internal review clients. For external reviews, “the referring entity [generally the state] has the opportunity to forward these cases to a different organization for external review if a conflict is determined,” according to the URAC standards for external review (URAC standards, IR 13(b)).

Conflict of interest – reviewer

Of particular concern for conflict-of-interest issues is the role of the reviewer, who provides a decision on the claims appeal. Both the NAIC Model Act and URAC standards address reviewer conflict-of-interest requirements.

URAC standards stipulate that the reviewer a) will not receive compensation for the review decision dependent on the outcome of the case; b) was not involved in the specific case in question; c) has neither professional, familial or financial ties with any involved parties (the consumer, health plan, treatment facility, etc.) that could be considered leading to a conflict (URAC standards, IR 8).

The standards also require accredited IROs to assign a different reviewer, who has had no previous involvement with the case, for each level of review. Each assigned reviewer must complete a rigorous internal conflict-of-interest check, based on the factors stated above, before accepting a case.

Reviewer qualifications

URAC accreditation standards devote multiple sections to reviewer qualifications, underscoring the importance of having experts render often complex medical recommendations.

URAC standards require that a clinical reviewer holds confirmed expertise on the topic under review. The standards also require that IROs independently verify the reviewer’s stated qualifications to guarantee that the reviewer’s credentials and experience are up to date.

First, accreditation standards require that independent reviewers:

- Hold a current, non-restricted licensure or certification for clinical practice in a state of the United States.
- Have at least five years of experience providing direct clinical care to patients.
- Are clinical peers (meaning the reviewer is in the same licensure category and same or similar specialty as the treating provider).
- Have professional experience in the area of practice “that typically manages the medical condition, procedure, treatment, or issue under review” (URAC standards, IR 4).



Importantly, accreditation standards also require that clinical reviewers are knowledgeable on the trends of current practice, stating that reviewers of external review cases must have experience providing direct clinical care to patients within the past three years (URAC standards, IR. 6).

Further, the URAC standards require that IROs gain primary source verification of the reviewer's licensure or certification and board certification, if applicable. IROs must also collect information regarding direct clinical care experience, including the date/s and length of the experience. The standards also require IROs to verify disciplinary action or sanctions against the medical professional. The NAIC Model Act stipulates that IROs may not use reviewers who have a history of sanctions or disciplinary action.

Quality of report and decision notes

The NAIC Model Act requires an IRO to return a written decision on the adverse determination to the patient, the patient's representative (if applicable), the health plan and the insurance commissioner within 45 days of the review submission for standard reviews, and within 72 hours for expedited reviews. In the final notice, the IRO is required to include significant elements of the case, including:

- An overview or general description of the reason leading to the request for the external review;
- The date the IRO received the assignment to conduct the external review;
- The date the external review was conducted;
- The date of the IRO's decision;
- The principal reason/s for the IRO's decision, including which evidence-based standards were used to render the decision, if applicable;
- The rationale for its decision; and
- References to the evidence or documentation, including the evidence-based standards, considered in reaching its decision.

(NAIC Model Act, Section 8, I)

URAC accreditation standards require IROs to provide the clinical reviewer's qualifications in the determination notice as well as "specific citations to supporting evidence or references" that the reviewer used to make the determination.

Accredited vs. non-accredited IROs

Accredited IROs must adhere to specific, rigorous standards of practice, which promote a review process that is fair and transparent. A quick glance at accreditation standards shows that IROs:

- Are up to date on all federal and state regulations, organizational processes, data security and internal operations;
- Work with appropriately licensed and credentialed peer reviewers who are current on the latest medical standards and technologies.

Within the healthcare industry, accreditation is considered the gold standard for independent review organizations. Consumers can rely on accredited IROs to ensure consistency, efficiency and accuracy in internal and external review recommendations. More information on IRO accreditation standards is available at www.urac.org.



NAIRO invites your feedback on the medical review process. If you have further comment on the topics discussed above, or on independent review in general, please share your comments and insight. Together, we can continue to provide a full and fair review process for all stakeholders.

Sources:

Uniform Health Carrier External Review Model Act, National Association of Insurance Commissioners (NAIC). www.naic.org/documents/committees_b_uniform_health_carrier_ext_rev_model_act.pdf.

Independent Review Organization: External Review Standards, Version 5.0, URAC