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AASM SLEEP MEDICINE

PRIOR AUTHORIZATION TOOLKIT

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AASM Sleep Medicine Prior Authorization Toolkit

The American Academy of Sleep Medicine (AASM) Prior Authorization Toolkit provides sleep medicine practices with standardized resources to efficiently navigate payer prior authorization (PA) requirements. This toolkit promotes timely access to care, reduces administrative burden, and supports compliance with federal and state-level regulations.

Overview and Purpose

Prior authorization (PA) requirements continue to pose challenges for sleep medicine providers and patients with sleep disorders. Delays and denials for diagnostic testing, treatment, and durable medical equipment (DME) may prevent timely management of sleep disorders. This toolkit provides documentation templates, checklists, and payer-specific guidance to streamline PA submissions and appeals.

Prior Authorization Quick Reference Chart

Service	CPT/HCPCS Codes	Documentation Required	Notes
Polysomnography (PSG)	95810, 95811	Sleep evaluation, Epworth, notes	Check payer policy
Home Sleep Apnea Test (HSAT)	95800, 95806	Sleep evaluation, clinical notes	Some payers waive PA for established OSA
Positive Airway Pressure (PAP)	E0601	Test results, clinical indication	Attach testing summary
PAP supplies	A7030 – A7039	Test results, clinical indication	Attach testing summary
MSLT/MWT	95805	PSG results, provider order	Payers vary
Actigraphy	95803	Clinical rationale	LCD pending
Oral Appliance Therapy	E0486	Dentist order, sleep study	Need qualifying AHI

Prior Authorization Checklist: Sleep Medicine Facilities and Practices

Purpose

To ensure all necessary steps, documentation, and communication are completed to support efficient and successful prior authorization (PA) submissions for sleep diagnostic and treatment services.

I. Payer Requirements Review

- ☐ Check payer medical policy and LCD/NCD (if applicable) for each service (e.g., PSG, HSAT, PAP titration, MSLT, MWT, actigraphy).
- ☐ Verify if PA is needed for: Initial diagnostic testing, PAP setup and supplies, repeat studies or retitration, and facility vs. home testing.
- ☐ Determine if PA applies to all settings (e.g., in-lab vs. home).
- ☐ Note payer-specific coverage criteria (e.g., clinical symptoms, comorbidities, prior testing).
- ☐ Identify submission portal (Availity, Epic Payer Platform, fax, etc.).
- ☐ Record payer's contact for clinical review or escalation.
- ☐ Confirm typical turnaround time.

II. Patient and Insurance Verification

- ☐ Confirm patient coverage is active on the date of service.
- ☐ Verify that the sleep facility or provider is in-network.
- ☐ Identify secondary insurance, if applicable.
- ☐ Confirm whether authorization is required for each CPT code (e.g., 95810, 95811, 95800, 95806).
- ☐ Verify if multiple procedures require separate approvals.

III. Clinical Documentation Preparation

- ☐ Physician order for the test or treatment.
- ☐ Detailed clinical notes supporting the indication (symptoms, comorbidities, prior testing results).
- ☐ Copy of referring provider's clinical evaluation or office visit note (dated within payer's timeframe).
- ☐ Documentation of failed or inadequate HSAT (if requesting in-lab PSG).
- ☐ For PAP authorization: PSG or HSAT report showing qualifying AHI/RDI, PAP prescription, documentation of patient education or mask fitting.
- ☐ Confirm appropriate CPT and ICD-10 codes based on service.
- ☐ Double-check modifiers if billing technical/professional components separately.
- ☐ Ensure diagnosis codes match payer coverage policy (e.g., G47.33 for OSA).

IV. Authorization Submission

- ☐ Verify patient demographics and insurance ID are correct.
- ☐ Review all uploaded attachments for legibility.
- ☐ Include all relevant CPT and ICD-10 codes in one request if payer allows.
- ☐ Record the date and method of submission.
- ☐ Document reference number or tracking ID.
- ☐ Note payer's estimated response time.

V. Follow-Up and Tracking

- ☐ Check payer portal or call to confirm receipt.
- ☐ Follow up if no response within expected timeframe.
- ☐ Document all communications and outcomes in EHR or tracking log.
- ☐ Record denial reason and reference number if denied.
- ☐ Initiate appeal promptly with additional supporting evidence (e.g., AASM guidelines, comorbid risk documentation).

VI. Internal Process Quality Checks

- ☐ Designate a PA coordinator or team member to oversee submissions.
- ☐ Train clinical and front-office staff on payer-specific nuances.
- ☐ Maintain a shared log of payer turnaround times and denial reasons.
- ☐ Review denials monthly to identify patterns and improve documentation.
- ☐ Keep copies of successful PA submissions as templates.

Prior Authorization Documentation Template: Sleep Facilities and Practices

1. Patient Information

Patient Name

Date of Birth

Insurance / Plan

Member ID

Referring Provider

Ordering Provider (if different)

Sleep Facility / Practice

Contact Person

Phone / Fax

2. Requested Service

Select the applicable service(s):

Type of Service	CPT Code(s)	Place of Service	Authorization Type
☐ Diagnostic PSG	95810		
☐ PAP Titration	95811		
☐ Split-night Study	95811 (modifier)		
☐ HSAT	95800 / 95806		
☐ MSLT	95805		
☐ MWT	95805		
☐ Actigraphy	95803		
☐ PAP Device / Supplies	E0601, A7030–A7046		

Requested Date of Service: _____

Frequency / Duration (if applicable): _____

3. Clinical Indication / Medical Necessity

Provide a concise summary of medical necessity:

The patient presents with _____]. Evaluation suggests _____ _____. Testing is requested to confirm diagnosis and guide treatment. The requested study meets medical necessity per AASM and payer criteria.

4. Clinical Documentation Checklist

Required Documentation	Attached?
Signed and dated physician order for test or therapy	☐
Office visit note supporting clinical indication	☐
Relevant medical history (comorbidities, risk factors)	☐
Prior sleep testing results (if applicable)	☐
Documentation of HSAT failure or contraindication (if requesting in-lab PSG)	☐
AHI/RDI report (for PAP requests)	☐
PAP prescription and mask fitting documentation	☐
Patient education or adherence data (for reauthorization)	☐

5. Symptom and Comorbidity Documentation

Symptoms:

Symptoms Present	Yes/No	Details
Loud snoring	☐ Yes ☐ No	
Witnessed apneas	☐ Yes ☐ No	
Excessive daytime sleepiness	☐ Yes ☐ No	
Morning headaches	☐ Yes ☐ No	
Non-restorative sleep	☐ Yes ☐ No	
Insomnia	☐ Yes ☐ No	
Cognitive dysfunction	☐ Yes ☐ No	

Comorbidities:

Relevant Comorbidities	Yes/No	Details
Hypertension	☐ Yes ☐ No	
Coronary artery disease	☐ Yes ☐ No	
Atrial fibrillation	☐ Yes ☐ No	
Heart failure	☐ Yes ☐ No	
Stroke	☐ Yes ☐ No	
Obesity (BMI ≥30)	☐ Yes ☐ No	
Diabetes	☐ Yes ☐ No	
COPD / Asthma	☐ Yes ☐ No	

6. Previous Interventions or Testing

Previous Study Type	Date	Result Summary	Reason for New Study

7. Clinical Summary

Based on the patient's symptoms and comorbidities, the requested service is medically necessary for diagnosis and management of [condition]. Supporting documentation is attached. Contact _____ for additional information.

8. Authorization Outcome Tracking

Payer Reference Number	Date Submitted	Status (Approved/ Denied)	Decision Date	Notes

Prior Authorization Documentation Template: Sleep Facilities and Practices (EHR-Friendly)

Patient Information:

- Patient Name: _____
- Date of Birth: _____
- Insurance / Plan: _____
- Member ID: _____
- Referring Provider: _____
- Ordering Provider (if different): _____
- Sleep Facility / Practice: _____
- Contact Person: _____
- Phone / Fax: _____

Requested Service:

☐ Diagnostic PSG (95810)
☐ PAP Titration (95811)
☐ Split-night Study (95811-mod)
☐ HSAT (95800 / 95806)
☐ MSLT (95805)
☐ MWT (95805)
☐ Actigraphy (95803)
☐ PAP Device/Supplies (E0601, A7030–A7046)

Requested Date of Service: _____
Frequency / Duration: _____

Clinical Indication / Medical Necessity:

The patient presents with [primary sleep complaint]. Evaluation suggests [suspected diagnosis]. Testing is requested to confirm diagnosis and guide management. The request meets medical necessity per AASM and payer criteria.

Documentation Checklist:

☐ Signed and dated physician order
☐ Office visit note supporting indication
☐ Relevant medical history and comorbidities
☐ Prior sleep testing results (if any)
☐ Documentation of HSAT failure (if applicable)
☐ AHI/RDI report (for PAP requests)
☐ PAP prescription and mask fitting documentation
☐ Adherence or reauthorization data (if required)

Symptoms:

☐ Loud snoring ☐ Witnessed apneas ☐ Excessive daytime sleepiness
☐ Morning headaches ☐ Non-restorative sleep ☐ Insomnia ☐ Cognitive issues

Comorbidities:

☐ Hypertension ☐ CAD ☐ Atrial fibrillation ☐ Heart failure ☐ Stroke
☐ Obesity (BMI ≥30) ☐ Diabetes ☐ COPD / Asthma

Previous Testing or Interventions:

Study Type	Date	Result Summary	Reason for New Study
PSG			
HSAT			
PAP Titration			

Clinical Summary:

Based on the patient's symptoms and comorbidities, the requested service is medically necessary for diagnosis and management of [condition]. Supporting documentation is attached. Please contact [provider/contact info] for additional information.

Authorization Tracking:

- Payer Reference #: _____
- Date Submitted: _____
- Status: ☐ Pending ☐ Approved ☐ Denied
- Decision Date: _____
- Notes: _____

Prior Authorization Documentation for Medical Necessity of PAP Therapy: Template Letter

Date

Name

Medical Director/Utilization Review Department

Payer Name

Address

City, State, Zip

RE: *Prior Authorization Documentation for Medical Necessity of PAP Therapy*

Submitted via email:

Dear Medical Director Name or Utilization Review Department,

I am writing to request authorization for positive airway pressure (PAP) therapy for my patient who has been diagnosed with obstructive sleep apnea (OSA) based on clinical evaluation and sleep testing in accordance with AASM clinical practice guidelines.

PAP therapy is the first-line, evidence-based treatment for OSA and is recommended by the American Academy of Sleep Medicine (AASM). Untreated OSA is associated with increased risks of hypertension, cardiovascular disease, metabolic dysfunction, impaired cognition, and reduced quality of life.

PAP therapy is medically necessary to:

- Normalize breathing during sleep
- Improve daytime function and alertness
- Reduce cardiovascular and metabolic risk
- Improve adherence to evidence-based clinical guidelines

[Patient Name] presented with symptoms consistent with OSA, including:

☐ Loud snoring
☐ Witnessed apneas
☐ Excessive daytime sleepiness
☐ Morning headaches
☐ Non-restorative sleep
☐ Cognitive or concentration difficulties

Relevant comorbid conditions include:

☐ Hypertension ☐ Coronary artery disease ☐ Heart failure ☐ Atrial fibrillation
☐ Diabetes ☐ Stroke ☐ Obesity (BMI ≥30) ☐ Other: _____

A sleep study was performed on [Date] at [Facility Name], using [sleep study type], which demonstrated:

- Apnea-Hypopnea Index (AHI) / Respiratory Disturbance Index (RDI): _____ events/hour
- Lowest Oxygen Saturation (SpO_2): _____ %
- Duration SpO_2 <90%: _____ minutes

Interpretation: The study confirms [mild / moderate / severe] obstructive sleep apnea, meeting accepted diagnostic thresholds (AHI ≥5 with symptoms or comorbidities, or AHI ≥15 regardless of symptoms).

The patient will initiate [CPAP / AutoPAP / BiPAP] therapy with close clinical follow-up and adherence monitoring. Education on device use, mask fit, and compliance will be provided in accordance with AASM standards. Documentation of adherence and clinical benefit will be submitted as required for reauthorization.

Attachments

☐ Sleep study report
☐ Clinical evaluation / office note
☐ PAP prescription and settings
☐ Relevant comorbidity documentation
☐ Prior authorization request form

Based on the objective findings and clinical presentation, PAP therapy is medically necessary for the treatment of this patient's obstructive sleep apnea. Prompt authorization is requested to initiate therapy and avoid delay in care.

Please contact our office at [Phone / Fax / Email] if further information or documentation is needed.

Sincerely,

[Provider Name, Credentials]
[Practice Name]

Patient Name: _____
Date of Birth: _____
Insurance ID: _____
Referring Provider: _____
Ordering Physician / NPI: _____

Denied Sleep Study Prior Authorization Appeal: Template Letter

Date

Name

Medical Director/Appeals Reviewer

Payer Name

Address

City, State, Zip

RE: *Appeal for Denied Sleep Study Prior Authorization*

Submitted via email:

Dear Medical Director or Appeals Reviewer,

I am submitting this letter on behalf of a patient, to appeal the recent denial for diagnostic sleep testing. This request is medically necessary to evaluate the patient for suspected obstructive sleep apnea (OSA) based on their clinical presentation and risk factors, consistent with established clinical practice guidelines.

Diagnostic testing for sleep-disordered breathing is the standard of care for patients with suspected OSA, supported by the AASM Clinical Practice Guideline (2017) recommendation, which states, "Polysomnography or home sleep apnea testing is recommended for the diagnosis of OSA in adult patients presenting with signs and symptoms that indicate an increased risk of moderate to severe OSA." Without objective sleep testing, a definitive diagnosis cannot be made, and appropriate treatment cannot be safely or effectively initiated.

The original denial cited [insert reason for denial here]. However, this decision does not align with the patient's documented symptoms, comorbidities, and established diagnostic guidelines.

Supporting factors include:

- Patient exhibits symptoms of OSA (snoring, witnessed apneas, daytime sleepiness).
- Comorbid cardiovascular/metabolic conditions heighten clinical risk.
- Objective diagnostic testing is required to confirm the presence and severity of OSA and to guide evidence-based management.

We respectfully request reconsideration and approval of diagnostic sleep testing for this patient. This testing is medically necessary, cost-effective, and clinically appropriate to confirm the diagnosis of OSA, initiate timely treatment, and reduce associated health risks such as cardiovascular morbidity and motor vehicle accidents.

Patient Symptoms:

The patient presents with the following symptoms suggestive of OSA:

- ☐ Loud, habitual snoring
- ☐ Witnessed apneas or gasping/choking during sleep
- ☐ Excessive daytime sleepiness
- ☐ Non-restorative sleep
- ☐ Morning headaches
- ☐ Cognitive or concentration difficulties
- ☐ Insomnia or fragmented sleep

Relevant Comorbidities:

☐ Hypertension ☐ Atrial fibrillation ☐ Coronary artery disease ☐ Stroke ☐ Heart failure
☐ Type 2 diabetes ☐ Obesity (BMI ≥30) ☐ COPD/Asthma ☐ Other: _____

These symptoms and comorbidities strongly indicate a high pretest probability for OSA.

Attachments

- ☐ Office visit note supporting clinical indications
- ☐ Prior authorization documentation
- ☐ Denial letter / explanation of benefits (EOB)
- ☐ Relevant clinical guidelines
- ☐ Sleep study order

Given the patient's symptoms, comorbidities, and high clinical suspicion for sleep apnea, diagnostic testing is clearly warranted and meets all established criteria for medical necessity. We respectfully request reversal of the denial and prompt authorization for testing.

Please contact our office at [Phone / Fax / Email] if additional information or documentation is needed.

Sincerely,

[Physician Name, MD / DO / NP / PA]
[Practice Name]

NPI: _____

Phone: _____

Fax: _____

Prior Authorization Workflow Integration Tips

Streamline the prior authorization (PA) process for diagnostic testing, PAP therapy, and other sleep-related services by improving turnaround times, reducing denials, and enhancing patient experience.

1. **Establish Clear Roles and Responsibilities**
   - **Assign a PA Coordinator:** Designate a specific staff member or team responsible for managing authorizations.
   - **Define touchpoints:** Clarify when front-desk, clinical, and billing staff are each involved.
   - **Create backup coverage:** Ensure continuity when key staff are absent.

2. **Standardize the Workflow**
   - **A. Verify payer requirements** before ordering a test or device.
   - **B. Confirm patient eligibility and benefits** at scheduling.
   - **C. Prepare clinical documentation** (office note, sleep study results, comorbidity summary).
   - **D. Submit prior authorization request** via payer portal or fax.
   - **E. Track status** and follow up within 48–72 hours.
   - **F. Appeal promptly** if denied, with supporting guidelines and documentation.
   - **G. Document outcomes** for quality improvement and reporting.

3. **Build Integration Points in the EHR**
   - **Templates:** Create smart phrases for clinical documentation (e.g., medical necessity, symptom checklist, AHI results).
   - **Order sets:** Embed payer-specific prompts or checklists in the test ordering workflow.
   - **Alerts:** Use EHR flags to remind staff when PA is required before scheduling.
   - **Attachments:** Store payer policies and prior auth forms in the EHR library.
   - **Status tracking:** Maintain a shared dashboard or PA queue in the system.

4. **Create Standard Documentation Tools**
   - **Prior Authorization Checklist:** Ensure required elements (clinical note, test order, prior results) are verified before submission.
   - **Template Letter Library:** Include medical necessity and appeal letter templates for OSA testing and PAP therapy.
   - **Fax/Portal Cover Sheet:** Prepopulate practice info and patient demographics for consistency.

5. Maintain a Centralized Payer Reference Tracking Document

Track and regularly update:

- Payer PA requirements (which CPTs require auth)
- Contact methods (fax, portal, phone)
- Turnaround times and appeal windows
- Key medical policy links for OSA and PAP

(*Pro Tip: Keep this in a shared spreadsheet or secure drive accessible to scheduling, billing, and clinical teams.*)

6. Monitor Performance Metrics

Use regularly scheduled (monthly or quarterly) reviews to track:

- PA approval rates
- Turnaround time from submission to approval
- Denial and appeal success rates
- Delays in patient scheduling due to PA

Use data to identify bottlenecks and staff training needs.

7. Educate Patients and Providers

- Provider education: Offer short refreshers on documentation requirements.
- Patient communication: Provide handouts explaining why prior authorization is needed and what to expect.

8. Leverage Technology

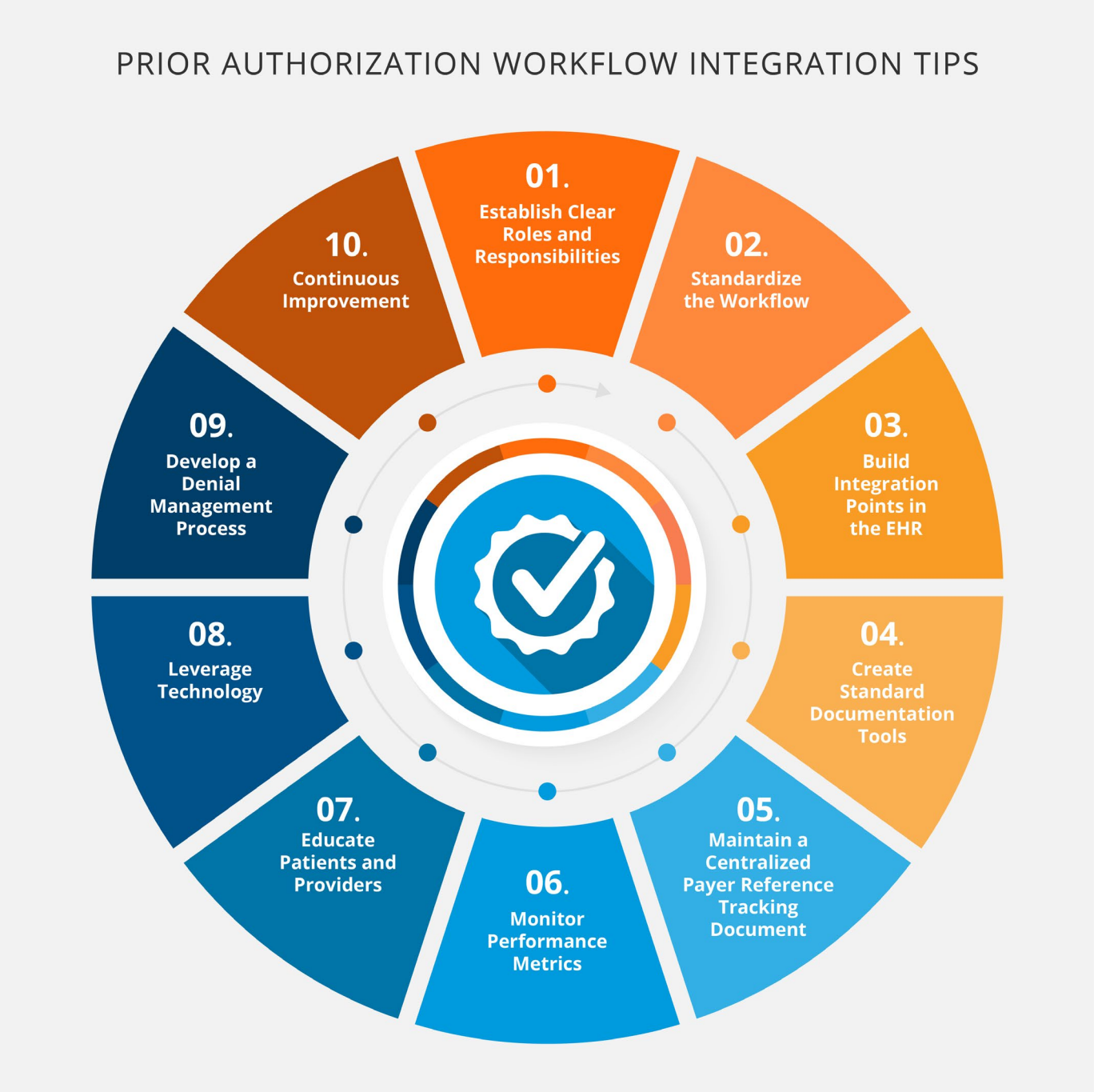
- Use payer integration tools, clearinghouses, or RPA (robotic process automation) if available.
- Set up email notifications for approval updates.
- Consider EHR-integrated PA management tools

9. Develop a Denial Management Process

- Maintain templates for appeals and peer-to-peer requests.
- Keep a **denial log** noting reasons and payer patterns.
- Review common denial causes quarterly to adjust workflows.

10. Continuous Improvement

- Solicit staff feedback regularly.
- Update procedures with new payer policies or CMS rules.
- Celebrate metrics improvement and recognize staff who reduce delays.



Key Takeaways

- *Use checklists + EHR templates for consistency.*
- *Maintain payer-specific documentation guides.*
- *Check for state-specific prior authorization forms.*
- *Confirm appropriate prior authorization submission modes.*
- *Track metrics to drive efficiency and compliance.*
- *Standardize appeals to reduce lost revenue and patient delays.*

Glossary of Prior Authorization Terminology

Adverse Determination
A denial, reduction, or termination of a requested healthcare service based on medical necessity or benefit coverage.

Appeal
A formal request for reconsideration of a denied or modified prior authorization or claim.

Authorization Number
A unique tracking number assigned by the payer once a prior authorization request has been approved.

Benefit Verification
The process of confirming a patient's insurance coverage, plan benefits, and whether prior authorization is required for a specific CPT code or service.

Billing Provider
The entity or facility responsible for submitting claims and receiving reimbursement for the authorized service.

Care Management Organization (CMO)
An entity contracted by a payer or Medicaid plan to manage authorizations, utilization review, and case management (e.g., eQHealth, CareCentrix).

Concurrent Review
A payer review process for services already in progress (e.g., during a PAP trial period) to determine ongoing medical necessity.

Denial
A payer's refusal to authorize or reimburse a service, typically accompanied by a stated reason (e.g., "insufficient documentation" or "service not medically necessary").

Eligibility Verification
The process of confirming that a patient is currently covered under an active insurance policy.

Initial Authorization
The first approval request for a new service or treatment plan (e.g., first-time PAP setup).

Independent Review Organization (IRO)
An external reviewer used by payers or regulators to evaluate medical necessity in appeal cases.

Medical Necessity
The clinical justification that a service is reasonable and necessary for diagnosis or treatment of a medical condition, supported by objective evidence.

Peer-to-Peer Review
A discussion between the requesting provider and a payer's medical director to justify medical necessity after an initial denial.

Plan-Specific Requirements
Unique authorization rules, CPT coverage lists, or documentation criteria set by an individual health plan.

Preauthorization / Prior Authorization (PA)
The process of obtaining payer approval before providing a service to ensure coverage and payment.

Reauthorization / Renewal
A subsequent authorization request for continued services (e.g., ongoing PAP therapy after 90 days).

Service Request Form
A payer-specific document used to request approval for a procedure or test.

Turnaround Time
The expected time for a payer to review and respond to a PA request (varies by state and payer).

Utilization Management (UM)
The process by which payers review healthcare services for medical necessity, appropriateness, and efficiency.

Verification of Benefits (VOB)
The process of confirming plan coverage, deductible, and co-pay details before service delivery.

Workflow Integration
Embedding prior authorization steps within scheduling, EHR, and billing systems to ensure no service is performed without approval.

Zero-Tolerance Denial Policy (Internal)
A practice's internal policy to ensure no claim is submitted without proper documentation and prior authorization.

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