**What is Utilization Management?**

There is no single accepted definition of utilization management (UM). One leading definition from the [Institute of Medicine](https://www.ncbi.nlm.nih.gov/books/NBK234995/) states that UM is “a set of techniques used by or on behalf of purchasers of health care benefits to manage health care costs by influencing patient care decision-making through case-by-case assessments of the appropriateness of care prior to its provision.”

**There are 3 types of UM:**

* Prospective review is conducted at the onset of a service or treatment and is also referred to as precertification or prior authorization. This review is performed before care is rendered in order to eliminate or reduce unnecessary services. Prospective review may have the impact of not authorizing or limiting care that had been recommended by the evaluating provider(s).
* Concurrent review is performed during the course of treatment or episode of care. Intervention occurs at varied intervals and may encompass case management activities such as care coordination, discharge planning, and care transitioning. Concurrent review may have the impact of curtailing an existing episode of care.
* Retrospective review is conducted after the service has been completed and assesses the appropriateness of the procedure, setting, and timing in accordance with specified criteria. Such reviews often relate to payment and may result in denial of a claim. Financial risk for a retrospective denial is often borne by the provider.

**Physical Therapy Positions on UM:**

APTA and PPS support appropriate UM that ensures:

* The physical therapist’s ability to render patient-centered care using evidence-based guidelines, their clinical judgment, and decision making and full scope of licensure, rather than in accordance with arbitrary policies and protocols.
* Timely patient access to medically necessary services.
* Streamlined administrative processes.

**Not all UM is bad. Effective UM can:**

* Identify areas for performance improvement
* Provide instructive feedback
* Identify best practices in documentation, patient and client management, and methods to improve care
* Decrease unwarranted treatment variation
* Improve outcomes
* Improve care coordination
* Reduce costs and provide a sentinel effect