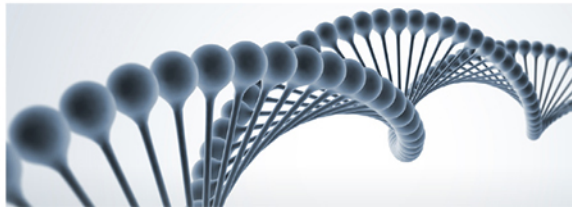


Prior Authorization: The Physician Perspective

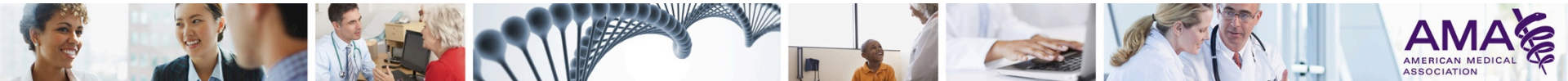
NCVHS Subcommittee on Standards Review Committee

June 16, 2015



AMA Policy on Prior Authorization (PA)

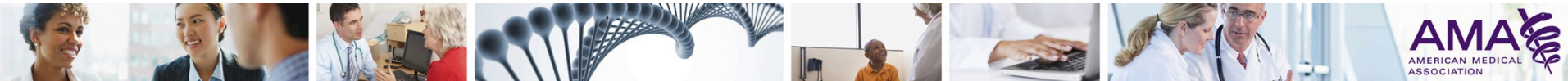
- Reduce the overall use of PA and limit its use to outliers
- When PA is used, the administrative burdens on physicians should be minimized through automation



PA: A Function Ripe for Automation

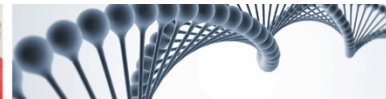
- Impact on patient care
 - 86% of physicians report that PA interrupts patient care¹
- Burden on practices
 - *Time burden*: 1.0 physician hour/week; 13.1 nursing hours/week; 6.3 clerical hours/week²
 - *Cost burden*: \$82,975 annually per physician on interactions with insurers³
- Cost to health plans
 - PA is largely a manual process and workflow for payers

1. MedChi. Prior Authorization Protocols: Impact on Patient Care in Maryland. July 20, 2011. 2. Casalino LP et al. *Health Aff (Millwood)*. 2009;28:w533-w543. 3. Morra D et al. *Health Aff (Millwood)*. 2011;30:1443-1450.



AMA–Federation 2010 Survey Results: Manual PA Process

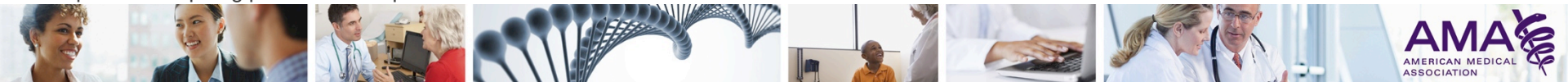
- 83% of survey respondents request PA using faxes
- 63% use a paper form
- 35% direct through a payer Web site
- Only 14% use an electronic standard transaction either through their practice management system or EHR



Current State of Automation: Medical Services PA

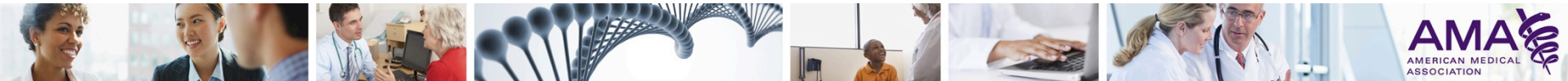
- Consistent acknowledgment across stakeholders that ASC X12 278 is not widely used
- 2014 CAQH Index reports low industry adoption of electronic PA (ePA)¹:
 - 64% health plans
 - 7% providers
 - 35% health plans and providers combined
 - Use of ASCX12 278 undoubtedly lower, as CAQH data include *web portals and interactive voice response systems*

1. 2014 CAQH Index™ Electronic Administrative Transaction Adoption and Savings Calendar Year 2013. Available at: <http://www.caqh.org/pdf/2014Index.pdf>.



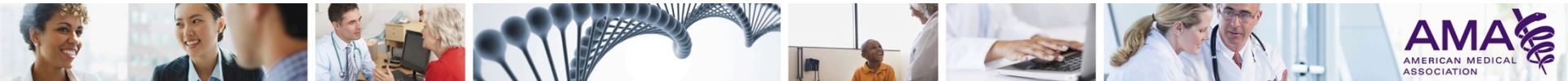
Barriers to PA Automation: Missing Links

- No requirement to include procedure-specific coverage restrictions (such as PA) in eligibility response
- No mandate for ASC X12 278 implementations other than Health Care Services Review Request and Response
- No ASC X12 278 data content requirements, such as requiring responses beyond “pending”
- No standard for electronic attachment to transmit supporting clinical data
- Failure of industry to analyze PA process holistically to ensure all necessary pieces in place to support automation



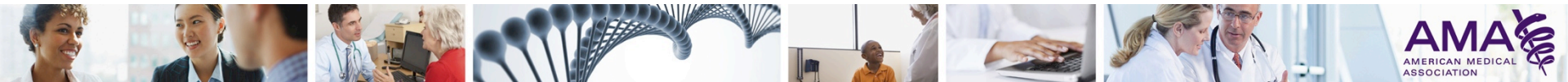
Other Barriers to ASC X12 278 Adoption

- Lack of end-to-end PA automation drives providers to manual processes (phone calls, fax, or portal)
- Internal health plan workflows require manual processes and limit real-time PA capabilities
- Limited vendor support for ASC X12 278, especially for implementations that integrate with provider EHRs



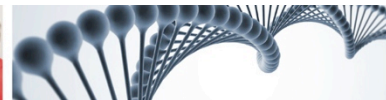
Recommendations: Additional Standard Mandates

- Mandate additional ASC X12 278 implementations
 - Health Care Services Review Inquiry and Response (ASC X12N005010X215)
 - Health Care Services Review Notification (ASC X12N005010X216)
- Mandate standard for electronic attachment



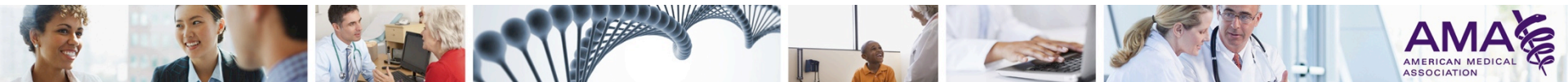
Recommendations: Operating Rules

- ASC X12 271 Eligibility Response
 - Require provision of procedure-specific PA information
- ASC X12 278 Services Review Request and Response data content
 - Require 278 response to indicate if PA is not needed
 - Require 278 response to indicate PA approval or denial if no additional information is required for processing
 - Require 278 response to request additional information when needed for PA processing
 - Require 278 response with real answer vs. “pended” or “contact payer”



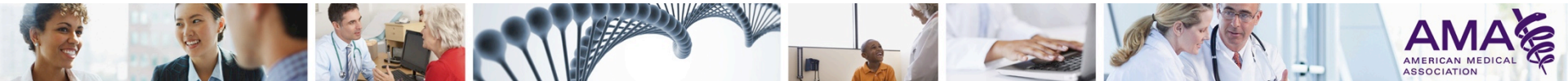
Opportunity: Win for Entire Industry

- Tremendous opportunity for all stakeholders to pull together in collaborative effort to address X12 278 adoption
- No blame, no finger-pointing: no one is using this transaction
- Multi-stakeholder workgroup needed for a “Save This Transaction” effort
- We can join together to improve patient care and reduce administrative burdens across the industry

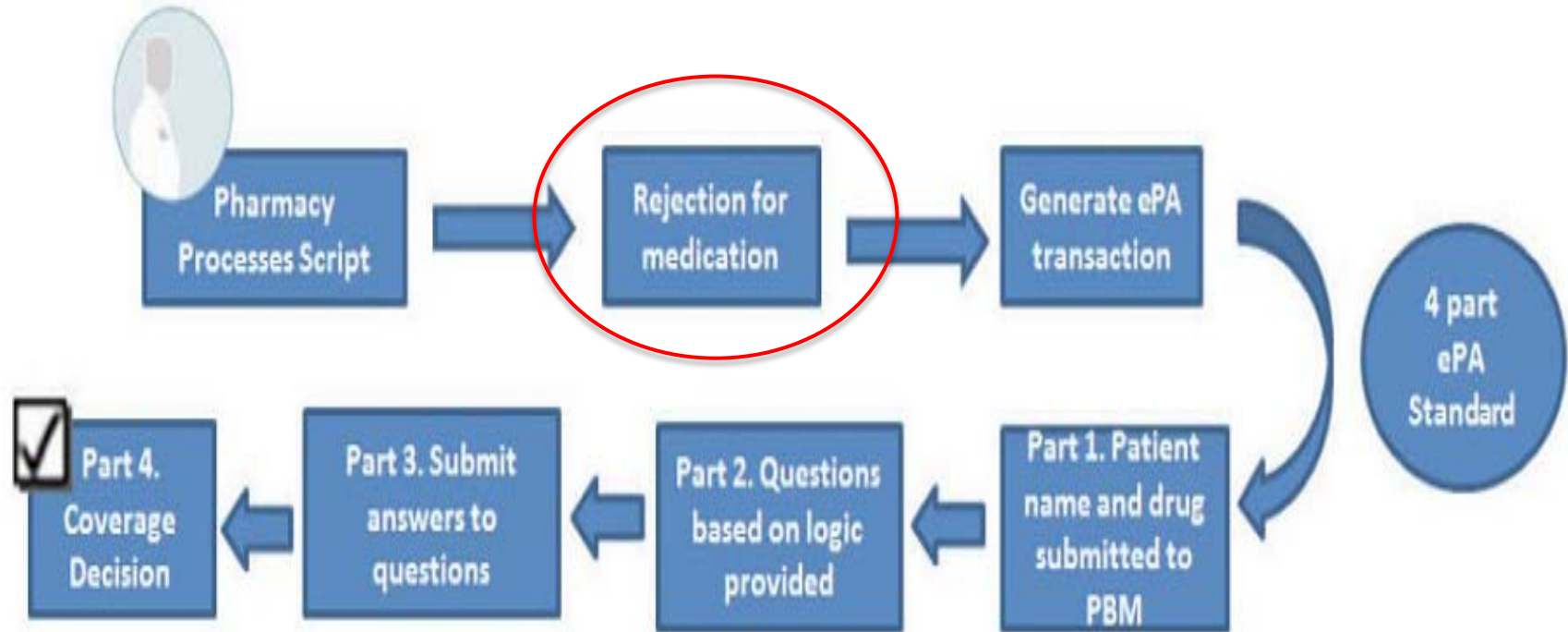


Current State of Automation: Pharmacy PA

- NCPDP approved and published suite of pharmacy ePA transactions in 2013
- In May 2014 letter, NCVHS recommended that the NCPDP transactions be mandated as the adopted standard for pharmacy PA
- Industry expects proposed rule in 2015
- Payers and vendors already starting to implement NCPDP transactions



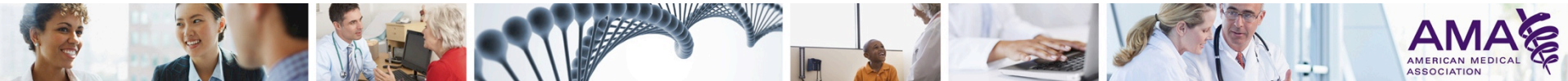
Remaining Barrier: Retrospective ePA Process



Source: Hessick J. Electronic prior authorization: the first step in patient adherence. *Specialty Pharmacy Times*. Dec. 17, 2013.

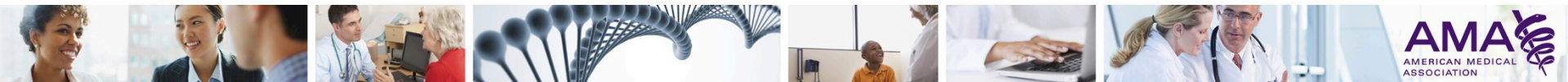
Real-Time Pharmacy Benefit Information for Prescribers

- Identifying when PA is needed is critical first step in ePA process
- Physicians cannot currently obtain accurate, patient-specific formulary information when prescribing due to current limitations in accuracy and completeness of EHR formulary data
- The formulary issue **must** be addressed in order to truly solve PA burdens for all stakeholders and transform from a **reactive/retrospective** to **proactive/prospective** process



Opportunity for Pharmacy ePA: Finish the Job

- Industry has invested significant time and money in developing and implementing NCPDP ePA transactions
- Full value of transactions will not be achieved until formulary data issue is fixed
- Physician adoption of ePA transactions will be suboptimal until EHR formulary information is accurate and reliable
- Ultimate goal: Address any PA requirements before patient arrives at the pharmacy to prevent medication nonadherence





Questions?



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