

Medication Prior Authorization

The Impact on Providers and Journey Towards
an Electronic Solution



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HIMSS

CENTRAL & SOUTHERN OHIO *Chapter*

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Agenda



- Industry challenges
- Impact of Prior Authorization (PA)
- Electronic Prior Authorization (ePA) standard
- ePA solutions
- Industry adoption
- Questions & Answers

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The Challenge

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PRESCRIPTIONS



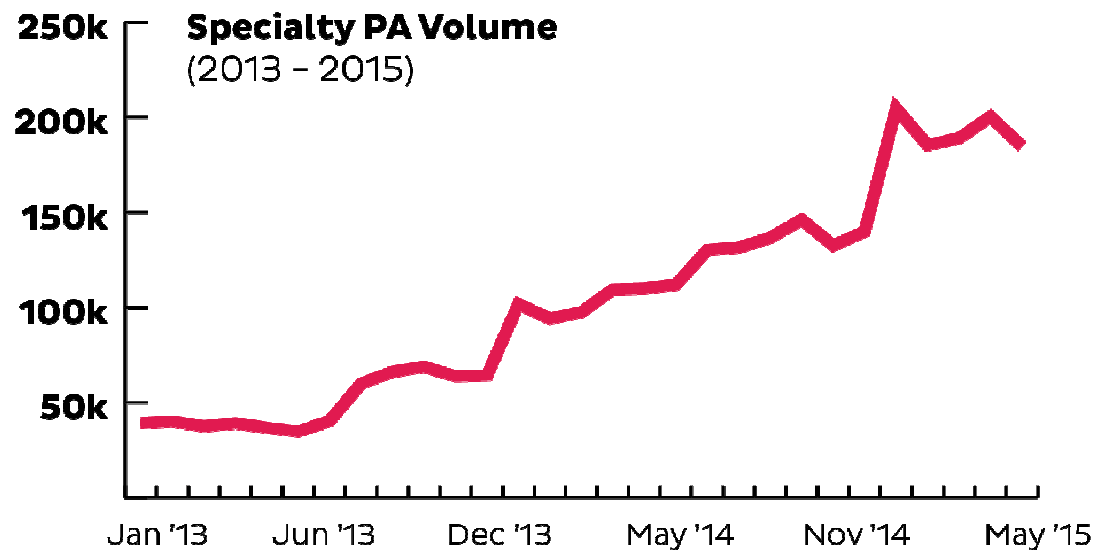
**“This is one of those new miracle drugs.
If you can afford it, it’s a miracle.”**

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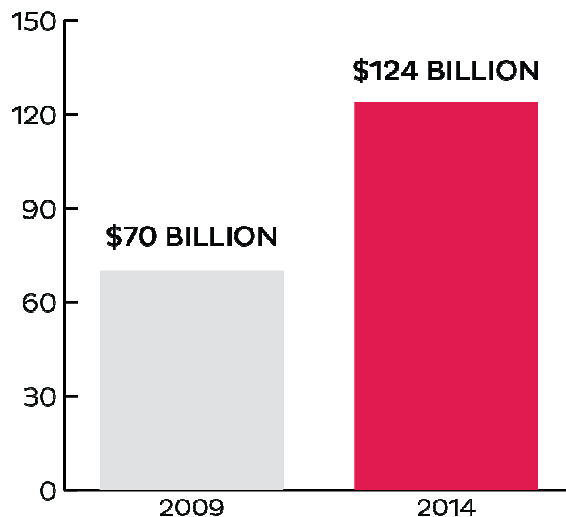
Specialty Volume

There is a direct correlation between the availability of specialty and new medications and a rise in PA volume. As more specialty medications enter the market the industry will see an increase in the need for PA requests.



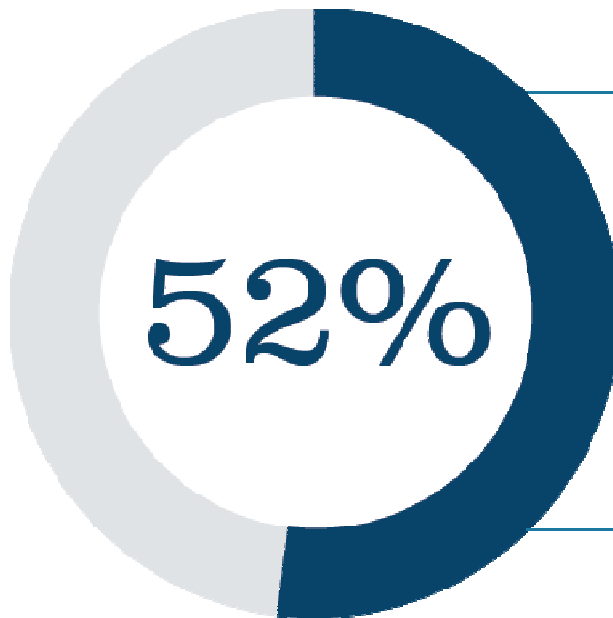
Spending Increases

In 2014, more than \$124 billion was spent on specialty medication, a \$54 billion increase since 2009.



New medication accounted for \$20 billion, or 47%, of total medication spending growth in 2014.

Medicaid



Elderly and disabled patients who account for 52% of Medicaid spending are more likely to need mediations that require a prior authorization due to chronic and behavioral conditions.

The Impact

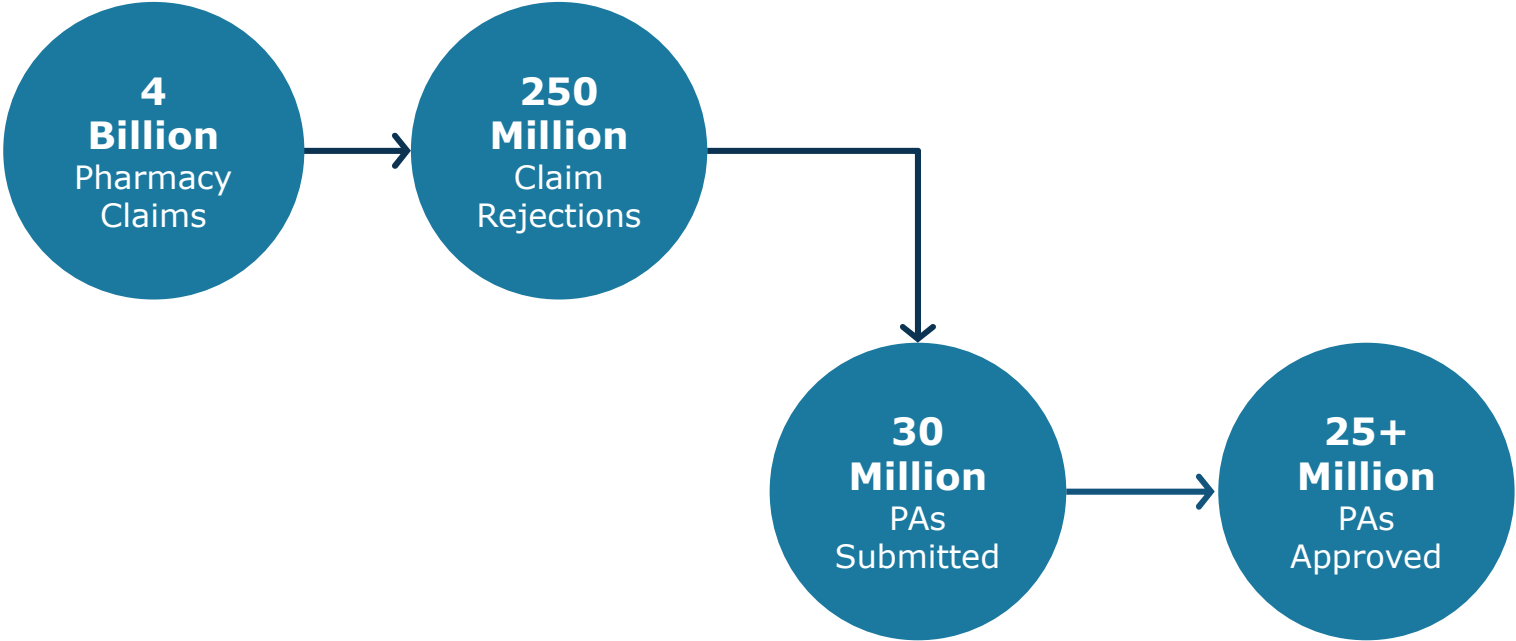
Prior Authorization [prahy-er aw-ther-uh-zey-shun]

noun

1. a health plan's way of requiring prescribers to justify why their patient needs one medication over another. In many cases, a PA is needed when there are less expensive or more effective alternatives to the medication prescribed.



Permission Slips for Prescription Drugs



Prior Authorizations can be required for the following reasons:



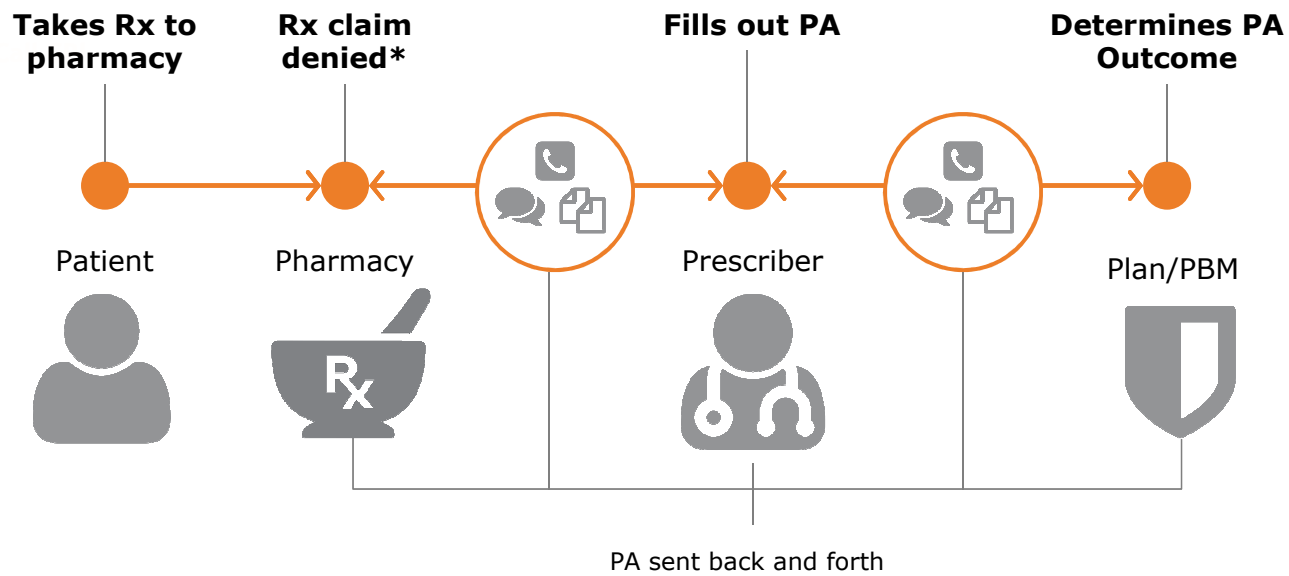
PA Required – The plan will need to review a medication before it will be covered. This can apply to both brands and generics.

Quantity Limit – The plan may limit the number (or amount) of drugs covered within a certain time period.

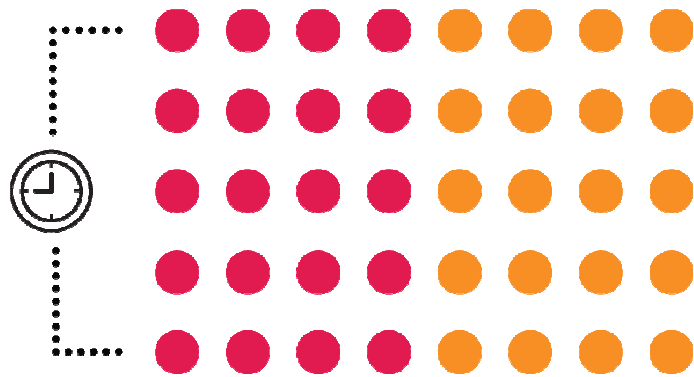
Step Therapy – The plan requires the patient to begin medication with the most cost-effective and safest drug therapy, and progress to other more costly or risky therapies only if necessary.

Non-Formulary – Most formularies cover at least one drug in each drug class, all other drugs in the same class would be considered off the plan's formulary, or Non-Formulary.

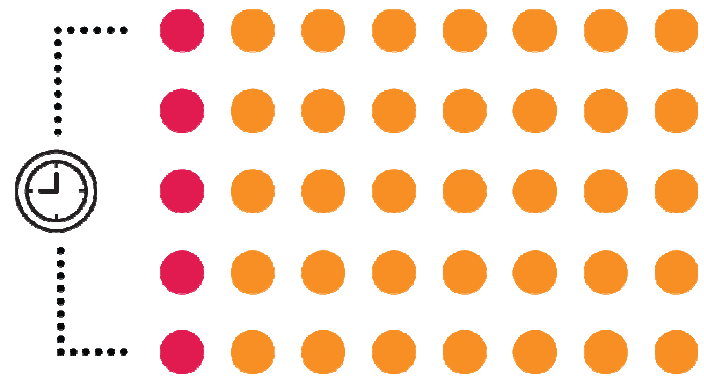
An Inefficient Workflow



By the Numbers: PA Hours



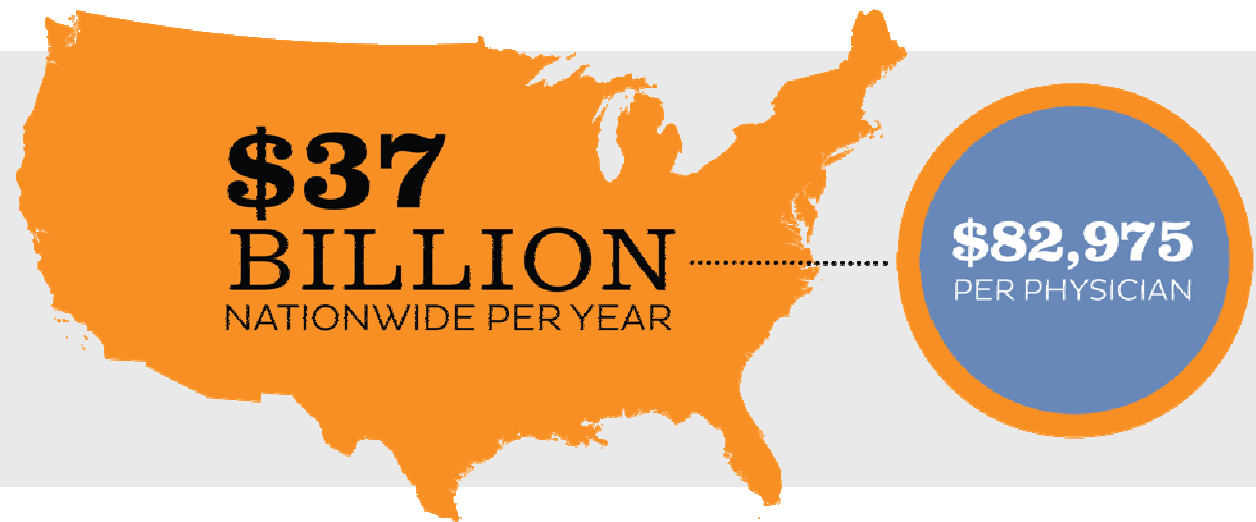
More than half of **prescribers** indicate that they and their staff spend up to 20 hours per week on PA requests



Pharmacists spend an average of 5 hours per week on PA requests

By the Numbers: Prescriber Costs

Nationwide, physicians spend \$37 billion annually interacting with health plans. Much of that cost is **directly related to prior authorization** and medication formulary requirements.



PA Season

January is PA season. Patients typically renew or update their prescription coverage the first of the year, which can result in increased prior authorization (PA) requests.



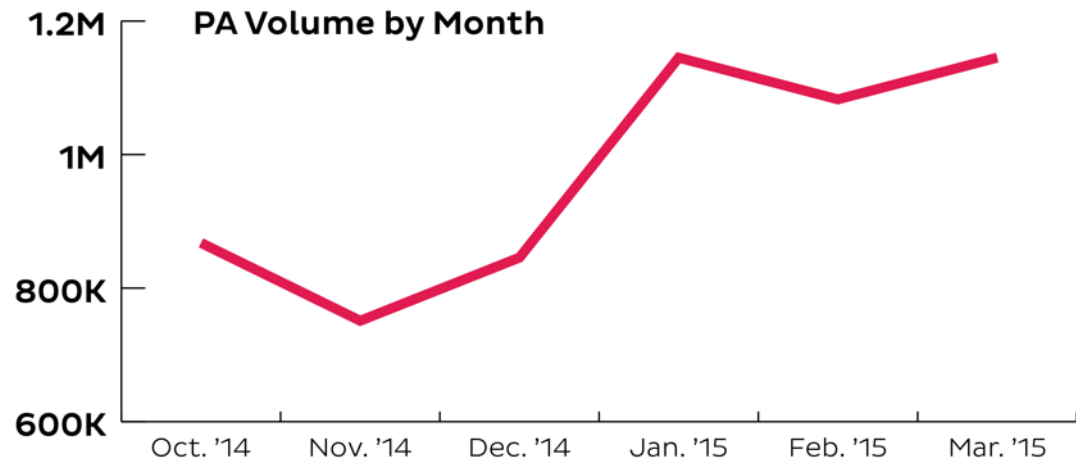
Factors for Increased Volume

- New patients
- New patient health plans
- Medication formulary changes
- Prescription renewals

Volume Increase

CoverMyMeds data also shows a continual increase in prior authorization requests at the beginning of each year.

From December to January, **PA requests increased by 32%** in 2014, and then again **increased by 37%** in 2015.

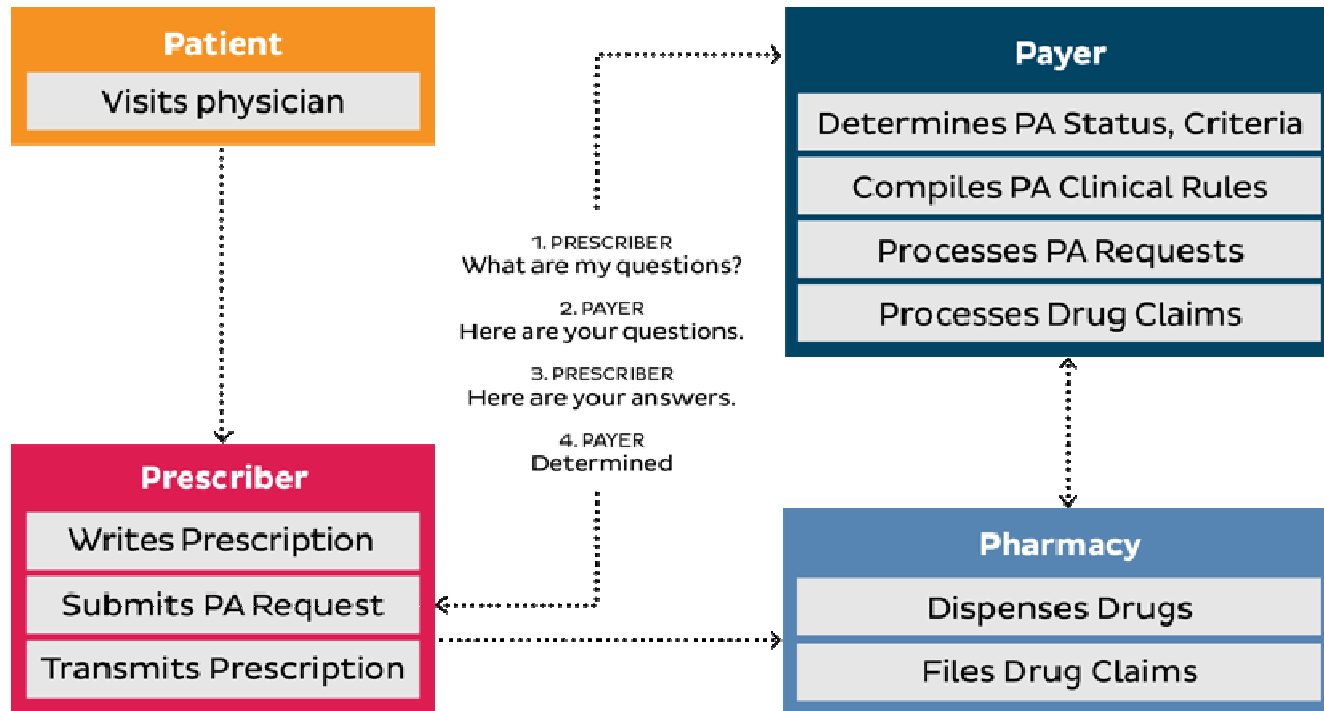


The Standard

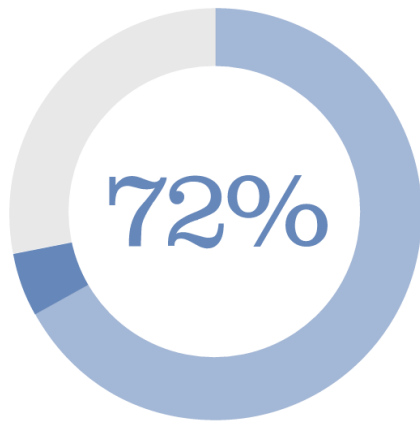


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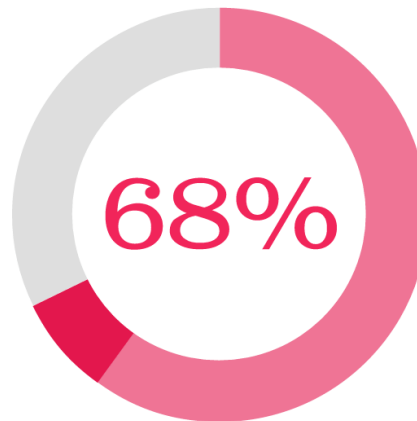
NCPDP SCRIPT ePA Standard



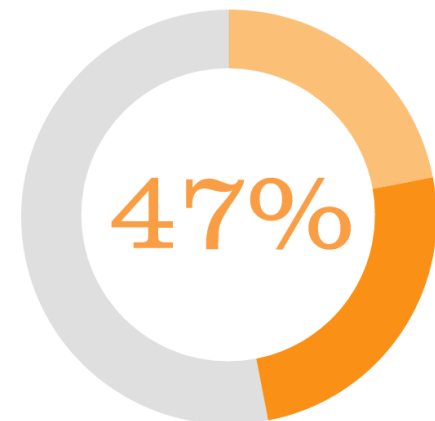
ePA Adoption



↑ 5% INCREASE FROM Q1 2015



↑ 8% INCREASE FROM Q1 2015



↑ 25% INCREASE FROM Q1 2015

Barriers to Adoption



Payers

- Not all plans support ePA
- Effort to digitize criteria
- Disparate criteria systems
- Burden of real-time response

EHRs

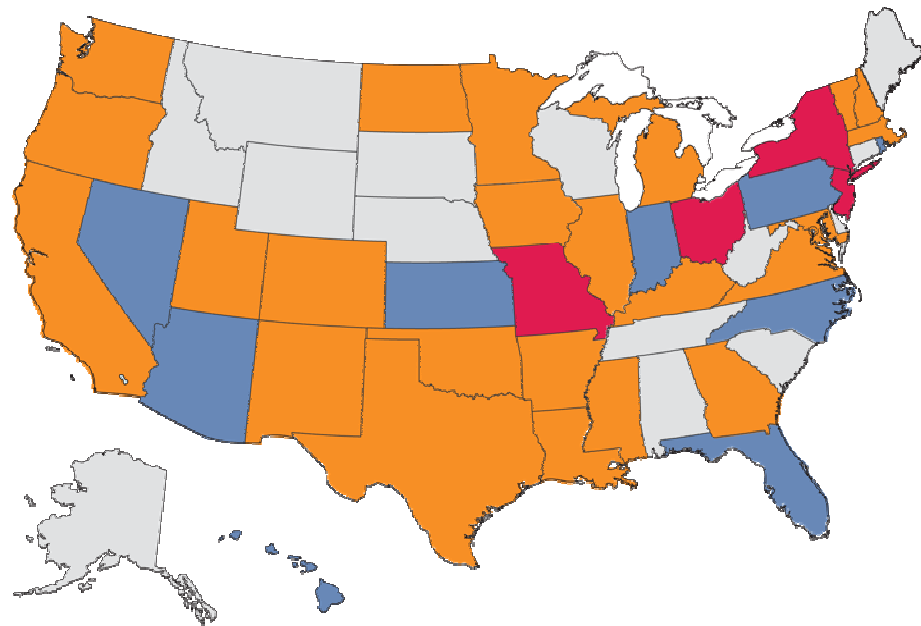
- Competing development priorities
- Long development & release cycles

Providers

- Awareness
- EHR optimization overload

ePA Legislation Activity

- Active Legislation
- Pending Legislation
- Legislation Inactive or Dead
- No current legislation



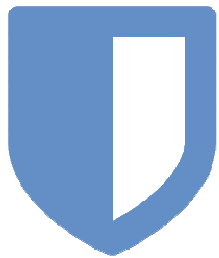
Key Takeaways



- 23 states have a law pertaining to PA. Although several states allow for ePA according to the NCPDP Script Standard, only 2 states require payers to implement this standard
- An equal number of states have either no ePA legislation or legislation that is dead or inactive
- Four states – New Jersey, Missouri, New York and Ohio – have pending legislation
- Meaningful Use - ePA not in regulations, but ePA supports adherence, therapy management and patient satisfaction measures

Solutions

Key components of an ePA solution



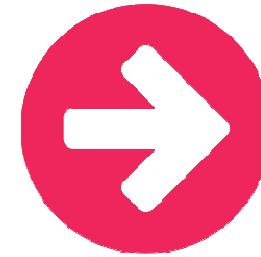
All Payer

Supports completion of PAs for any health plan or PBM



Retrospective

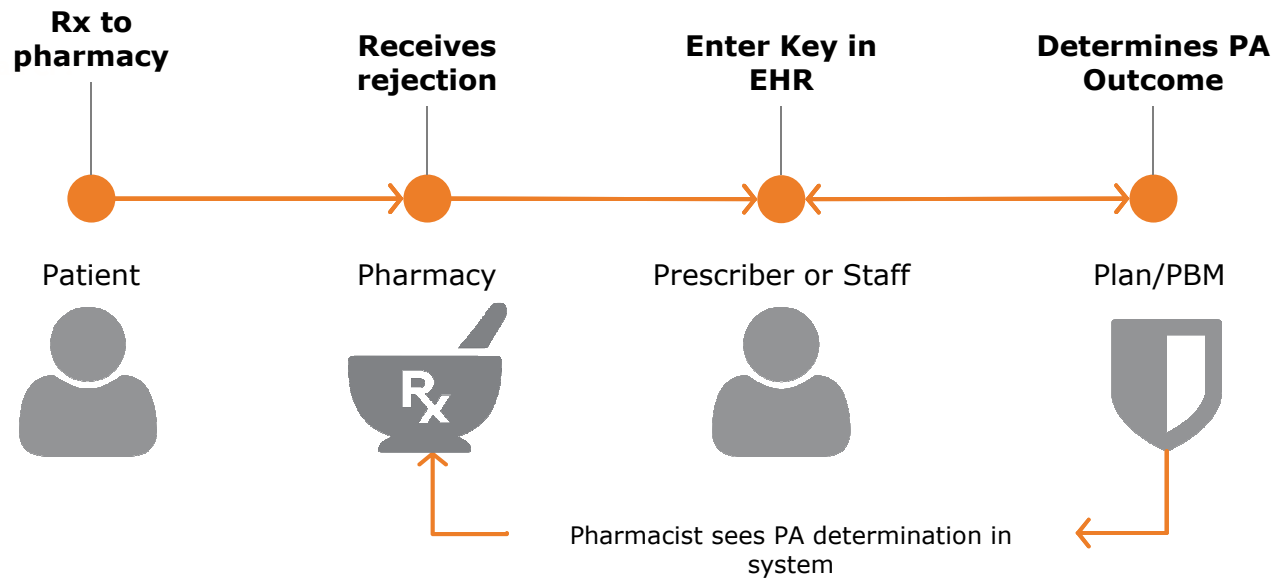
Ability to receive PAs started by a pharmacy



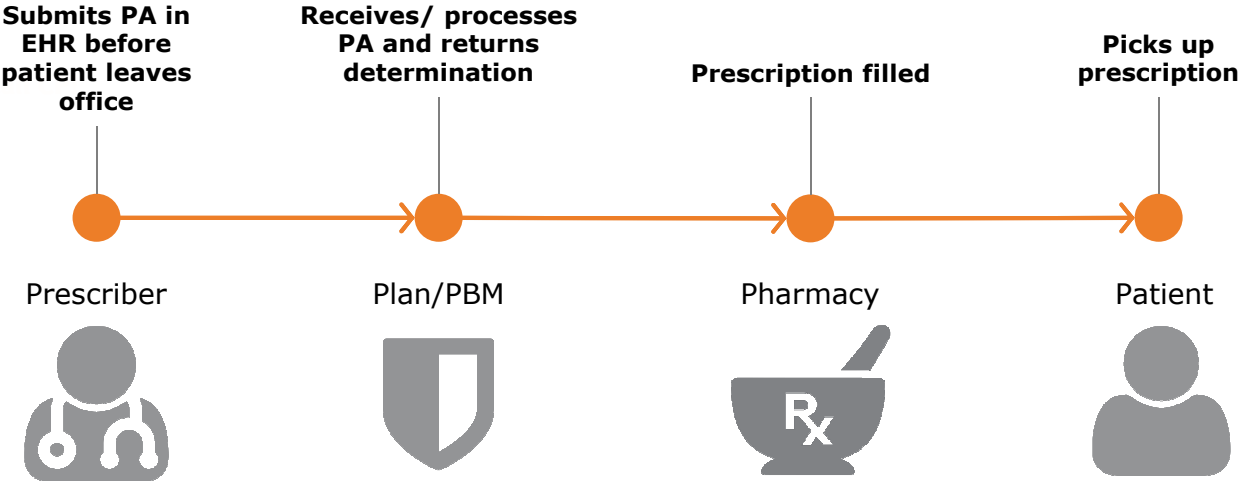
Prospective

Allows prescriber to start PA before a rejection

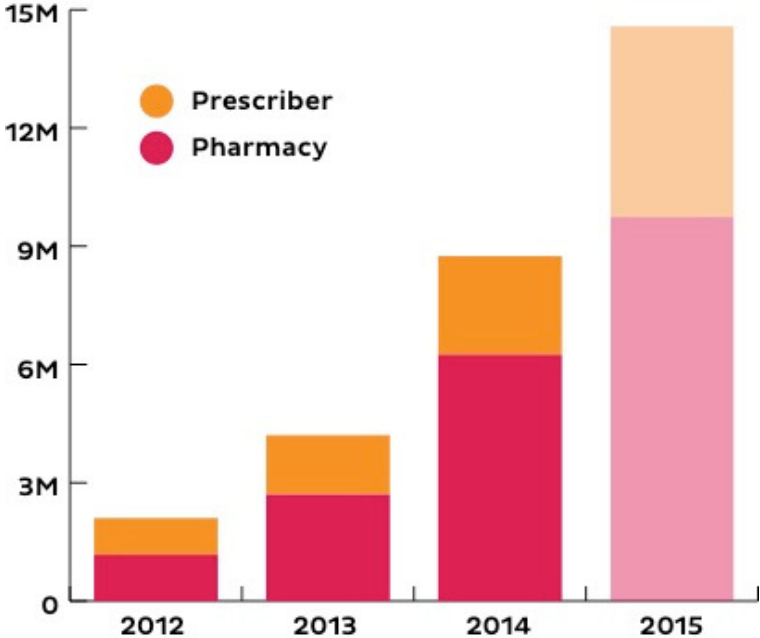
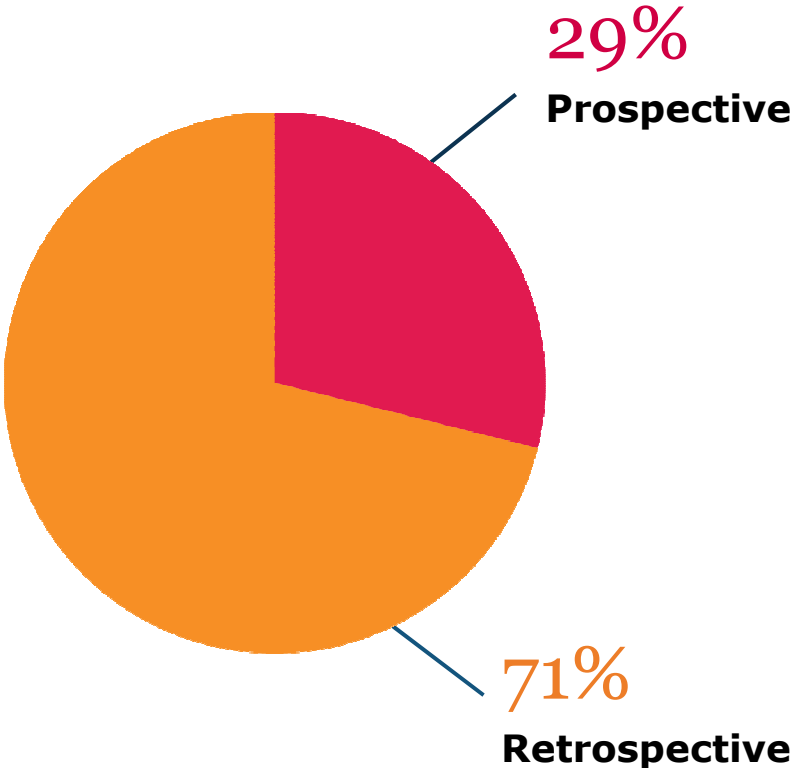
Retrospective Workflow



Prospective Workflow



Key components of an ePA solution



Results

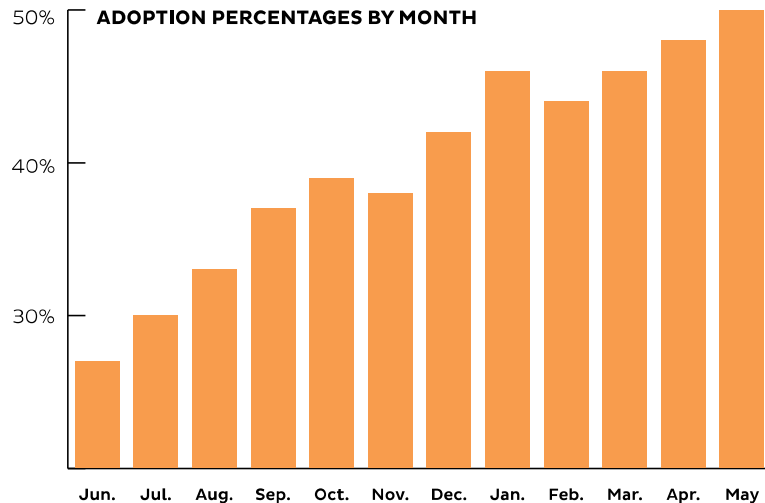
Completion and Turnaround Time



	PRE-ELECTRONIC	ELECTRONIC FAX	ePA
Completion	15-20 Minutes	3-5 Minutes	Web: 3-5 Minutes EHR: Seconds
Turn Around Time	3-5 Days	1-3 Days	Approved: Often in Real-time Denied: <24 Hours

Health Plan Case Study

In Q4 2013 a large, regional health plan serving nearly 4 million members implemented a fully-integrated electronic prior authorization (ePA) solution.



50% of prescribers adopted the ePA solution and completed more than 115,000 prior authorizations from June 2014 to May 2015.

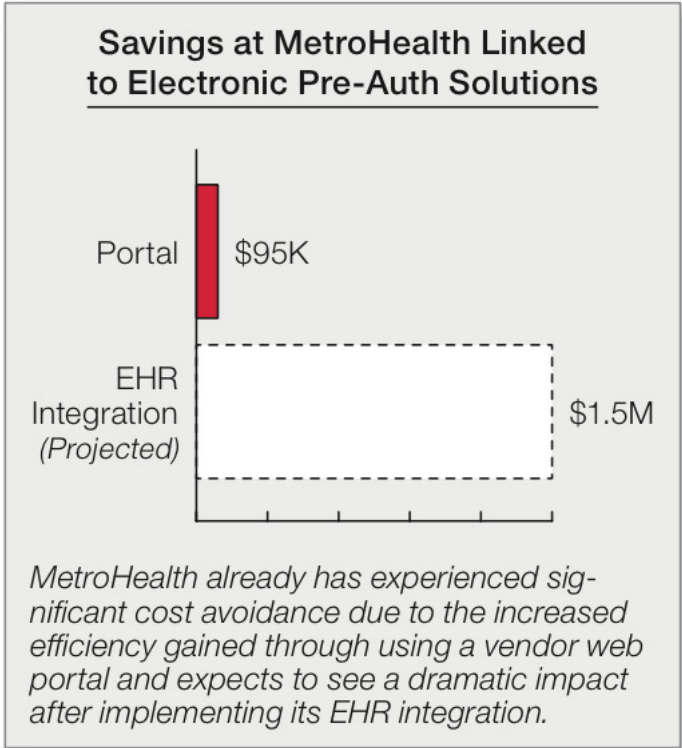
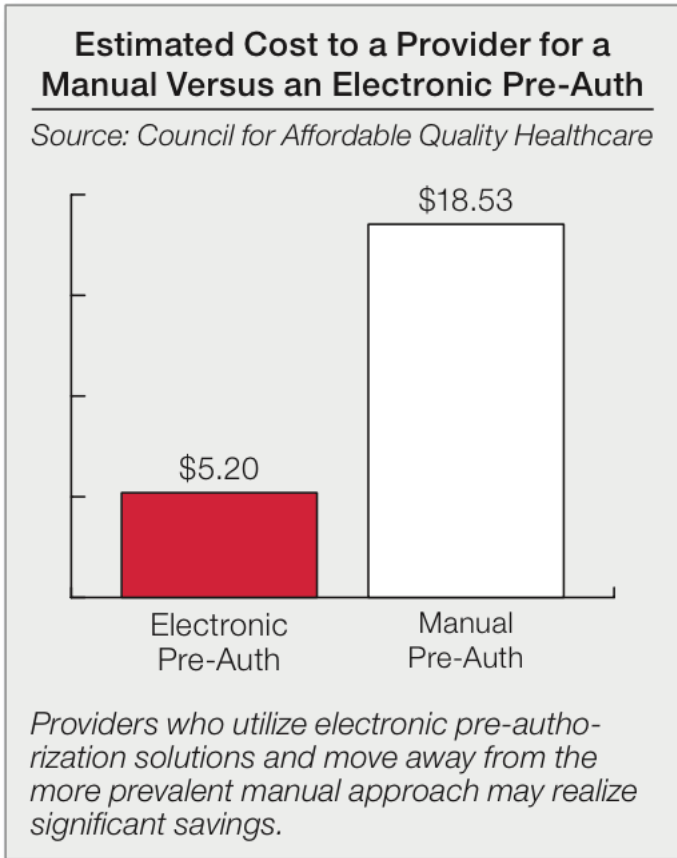


35% of all prior authorizations are auto approved, providing an instantaneous, electronic determination to the prescriber.

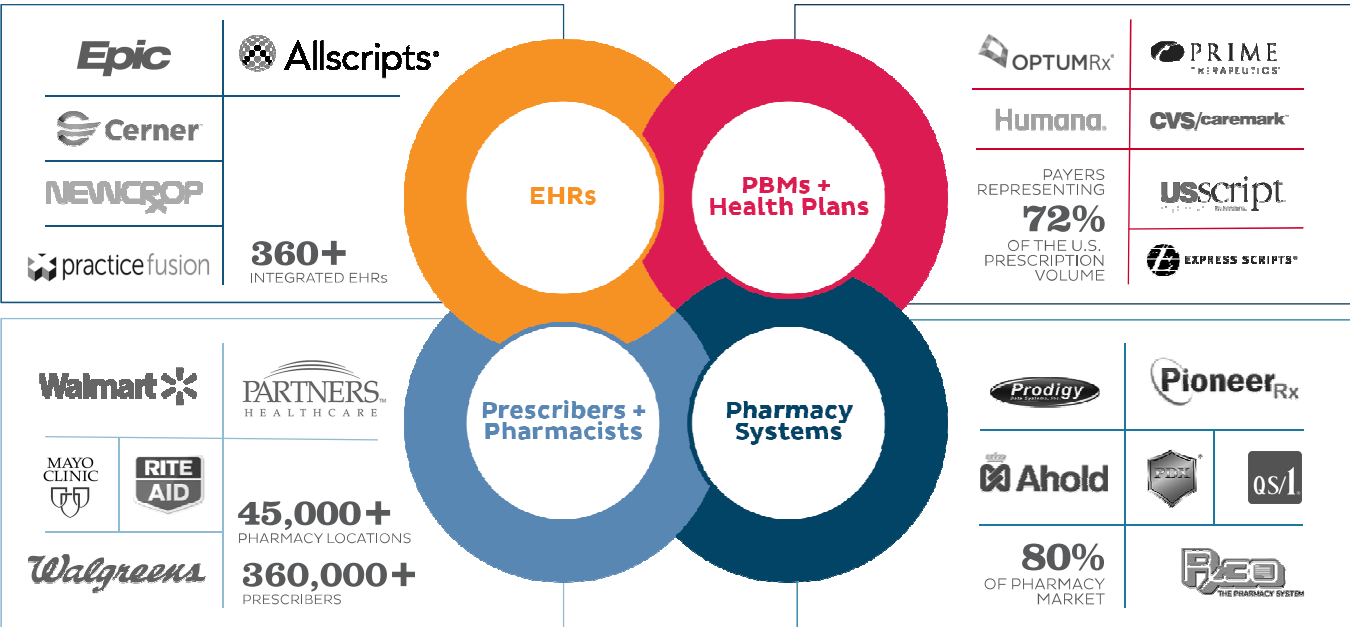


40% reduction in PA reviews for PAs entered by Plan staff as a result of auto-determination functionality.

Health System Case Study



covermymeds®



CoverMyMeds helps providers and pharmacists complete medication prior authorization request for **any drug and all plans.**

More than **1 Million PAs** Processed per month

25 Million PAs Submitted to plans to-date



Thank You

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