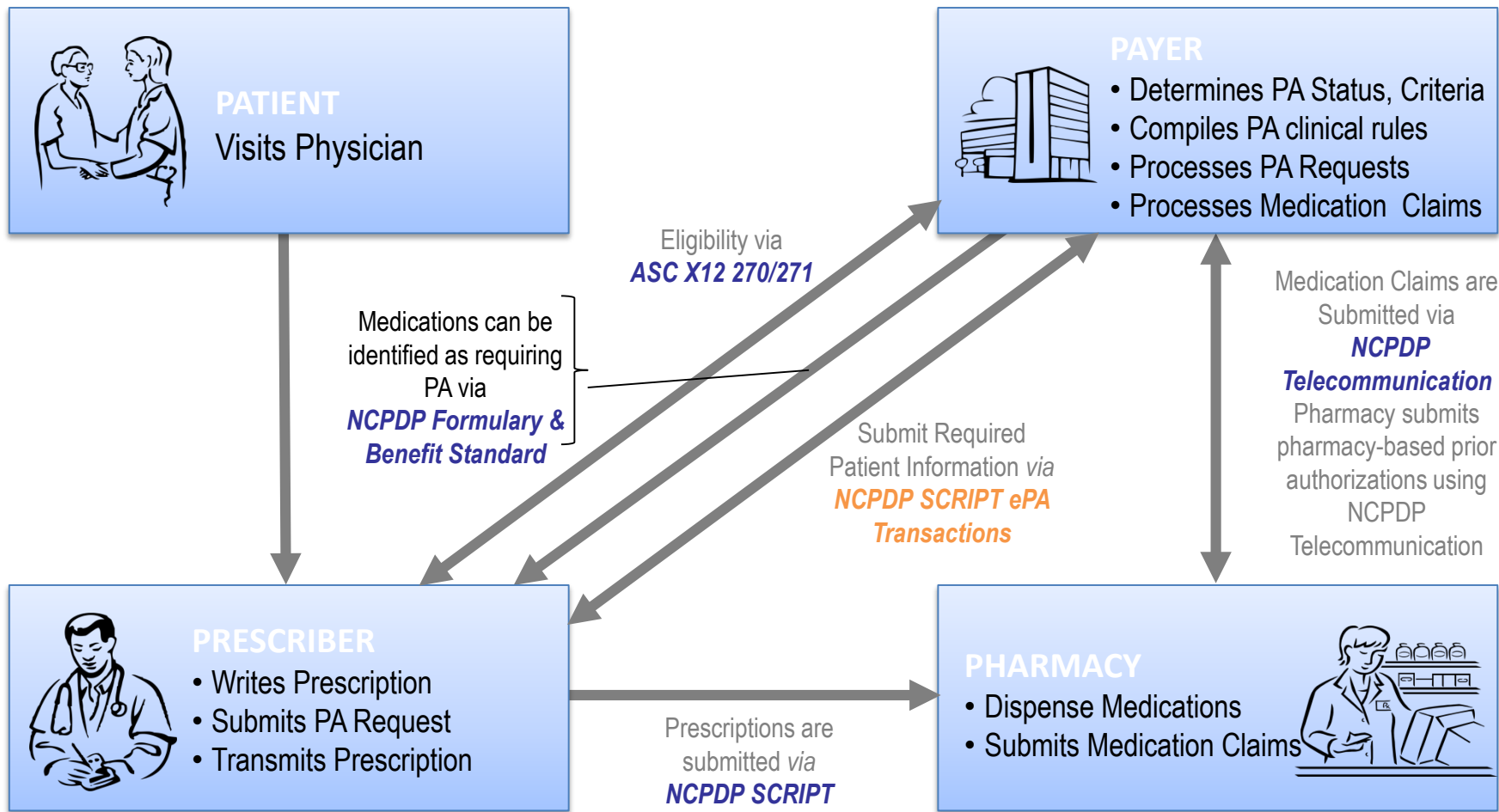# HITAC Hearing:
NCPDP – Prior Authorization

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About Us

- NCPDP is a not-for-profit, American National Standards Institute (ANSI)-accredited, Standards Development Organization (SDO) with over 1,600 members representing virtually every sector of the pharmacy services industry.

- NCPDP is a member-driven organization. Our diverse membership provides leadership and healthcare business solutions through education and standards, created using the consensus-building process.

- Best Practices for Patient Safety
  - Safe Use of Acetaminophen, mL Dosing

- Real-time Prescriber and Pharmacy Data Products

Electronic Prior Authorization Process
for the Pharmacy Benefit using SCRIPT Standard

PATIENT
Visits Physician

PAYER
- Determines PA Status, Criteria
- Compiles PA clinical rules
- Processes PA Requests
- Processes Medication Claims

Eligibility via
ASC X12 270/271

Medications can be identified as requiring PA via
NCPDP Formulary & Benefit Standard

Submit Required Patient Information *via*
NCPDP SCRIPT ePA Transactions

Medication Claims are Submitted via
NCPDP Telecommunication
Pharmacy submits pharmacy-based prior authorizations using NCPDP Telecommunication

PRESCRIBER
- Writes Prescription
- Submits PA Request
- Transmits Prescription

Prescriptions are submitted *via*
NCPDP SCRIPT

PHARMACY
- Dispense Medications
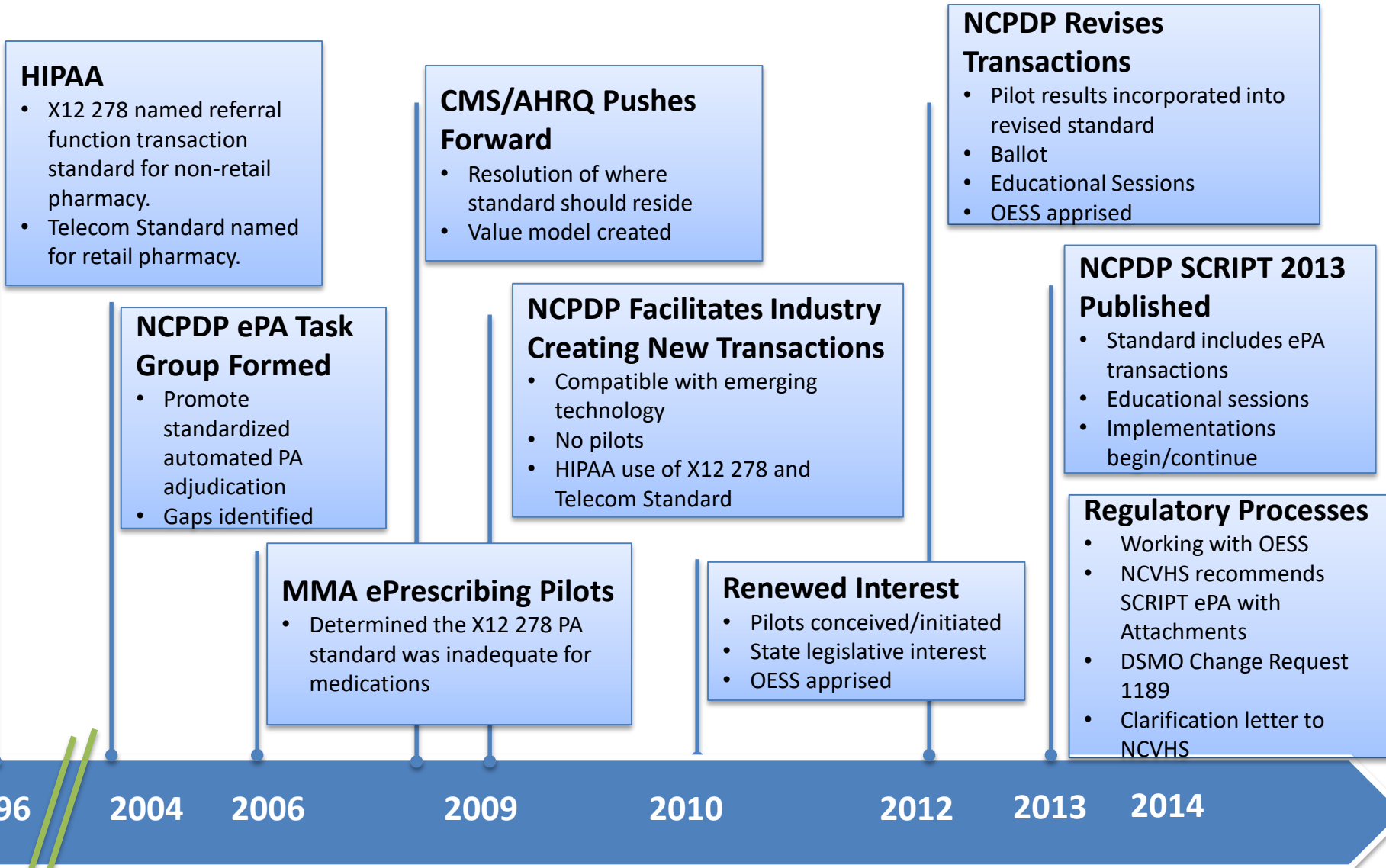- Submits Medication Claims

Electronic Prior Authorization(ePA) Transactions in SCRIPT Standard

- Supports an electronic version of today's PA process (i.e., PBM/payer provides prescriber with a set of questions they must answer for PA consideration) covered by pharmacy benefit

- Provides a standard structure for exchanging the PA questions and answers between prescriber and payers, while allowing for payers to customize the wording of the questions

- Additionally supports elements that allow for automation of the collection of data required for PA consideration (i.e., coded references for each question (e.g., LOINC, SNOMED, CDA template) allowing an EHR vendor to systemically pull data from patient's medical record)

- Supports both a solicited and unsolicited model

- Reuse of SCRIPT functions, elements, exchanges
  - Definitions for common elements: Header, Patient, Prescriber, Pharmacy, Medication Prescribed, Benefits Coordination
  - Attachments
  - Acknowledgement transactions: Status, Verify, and Error

ePA Transactions in SCRIPT Standard

- PAInitiationRequest/Response (used in the solicited model only)
  - Prescriber requests the information required to accompany a PARequest for a particular patient and medication.
  - PBM/payer responds with the information required to accompany a PARequest or an indication a PA isn't required for the patient and medication.
  - Response may be sent to the prescriber to renew an existing PA.

- PARequest/Response
  - Prescriber sends the information requested in the PAInitiationResponse (solicited model) or information agreed upon outside of the PA transactions by the trading partners (unsolicited model).
  - PBM/payer responds with PA determination status (e.g., approved, denied, pended, more info required) and details specific to the status.
  - Repeat request/response transactions when more info required.

- PAAppealRequest/Response
  - Prescriber requests the information required for an appeal and used to submit the appeal information for a prior authorization determination.
  - PBM/payer responds with the information required to accompany an appeal or indicates the outcome of an appeal.

- PACancelRequest/Response
  - Prescriber requests a PARequest that's in process be canceled.
  - PBM/payer responds with a cancellation status.

Electronic Prior Authorization History

HIPAA
- X12 278 named referral function transaction standard for non-retail pharmacy.
- Telecom Standard named for retail pharmacy.

NCPDP ePA Task Group Formed
- Promote standardized automated PA adjudication
- Gaps identified

MMA ePrescribing Pilots
- Determined the X12 278 PA standard was inadequate for medications

CMS/AHRQ Pushes Forward
- Resolution of where standard should reside
- Value model created

NCPDP Facilitates Industry Creating New Transactions
- Compatible with emerging technology
- No pilots
- HIPAA use of X12 278 and Telecom Standard

Renewed Interest
- Pilots conceived/initiated
- State legislative interest
- OESS apprised

NCPDP Revises Transactions
- Pilot results incorporated into revised standard
- Ballot
- Educational Sessions
- OESS apprised

NCPDP SCRIPT 2013 Published
- Standard includes ePA transactions
- Educational sessions
- Implementations begin/continue

Regulatory Processes
- Working with OESS
- NCVHS recommends SCRIPT ePA with Attachments
- DSMO Change Request 1189
- Clarification letter to NCVHS

1996 2004 2006 2009 2010 2012 2013 2014

Electronic Prior Authorization Today

- Request adoption of NCPDP SCRIPT Standard Version 2017071 ePA transactions

- Regulatory adoption would streamline and standardize the prior authorization process nationwide

- 70% of pharmacy benefit managers have implemented

- Use expedites access to therapy and improves patient outcomes by significantly reducing the approval time to hours instead of days

- Listed in 2019 Interoperability Standards Advisory

Benefits of SCRIPT Standard Version 2017071 ePA Transactions

- Expedites patient access to their needed medications.

- Helps CMS achieve the intent of supporting innovative approaches to improving program quality, accessibility, and improvement of the Medicare beneficiary experience.

- Reduces the administrative burden for providers, pharmacists and plans in the Medicare Part D program by minimizing manual activities such as printing, faxing, phone calls, and mailing.

- Supports CMS's intent of establishing a framework to address the opioid epidemic. Medicare plan sponsors may establish a drug management program for beneficiaries at risk for prescription drug abuse or misuse.

Benefits of SCRIPT Standard Version 2017071 ePA Transactions

- Improves clinical decision making for plans and providers to ascertain quickly, via real-time data exchange, the clinical efficacy of the prescribed treatment and eventual dispensing of the medication.

CMS-4182 Final Rule

"**Comment**: Many commenters urged CMS to adopt the NCPDP SCRIPT electronic Prior Authorization (ePA) transaction for the Part D program. They note that ePA is more efficient for prescribers, pharmacies, plans, and patients.

Response: We understand that Part D plans are anxious to adopt the NCPDP SCRIPT ePA standard. However, the HIPAA standard transaction for prior authorization does not accept the NCPDP SCRIPT ePA standard. In order for CMS to adopt the 2017071 for use in the Part D e-prescribing program, the HIPAA standard transaction would need to be modified to allow for use of an NCPDP SCRIPT ePA standard. Such HIPAA changes will need to occur in a Departmental regulation, and cannot be effectuated in a CMS regulation. If the HIPAA regulations are modified, CMS will be able to propose adoption of the NCPDP SCRIPT ePA for use in the Part D e-prescribing program. "

Recommendations

- Adopt under HIPAA the NCPDP SCRIPT Standard Version 2017071 Prior Authorization transactions only, for the exchange of prior authorization information between prescribers and processors for the pharmacy benefit

- EHR vendors must incorporate Prior Authorization transactions into their software and be integrated into the prescribers workflow

- Health Plans/Processors/PBMs must evaluate the requirements for a prior authorization, incorporate analytics into the decision process, publish requirements and support ePAs

- NCPDP must complete enhancements to the Formulary and Benefit Standard and development of the Real-Time Pharmacy Benefit Standard

Contact

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