Prior Authorization and the Pharmacy Industry

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Chief Executive Officer & Managing Partner

Different Types of Prior Authorization

DRUGS

Covered under
Pharmacy Benefit

Covered under
Medical Benefit

DEVICES

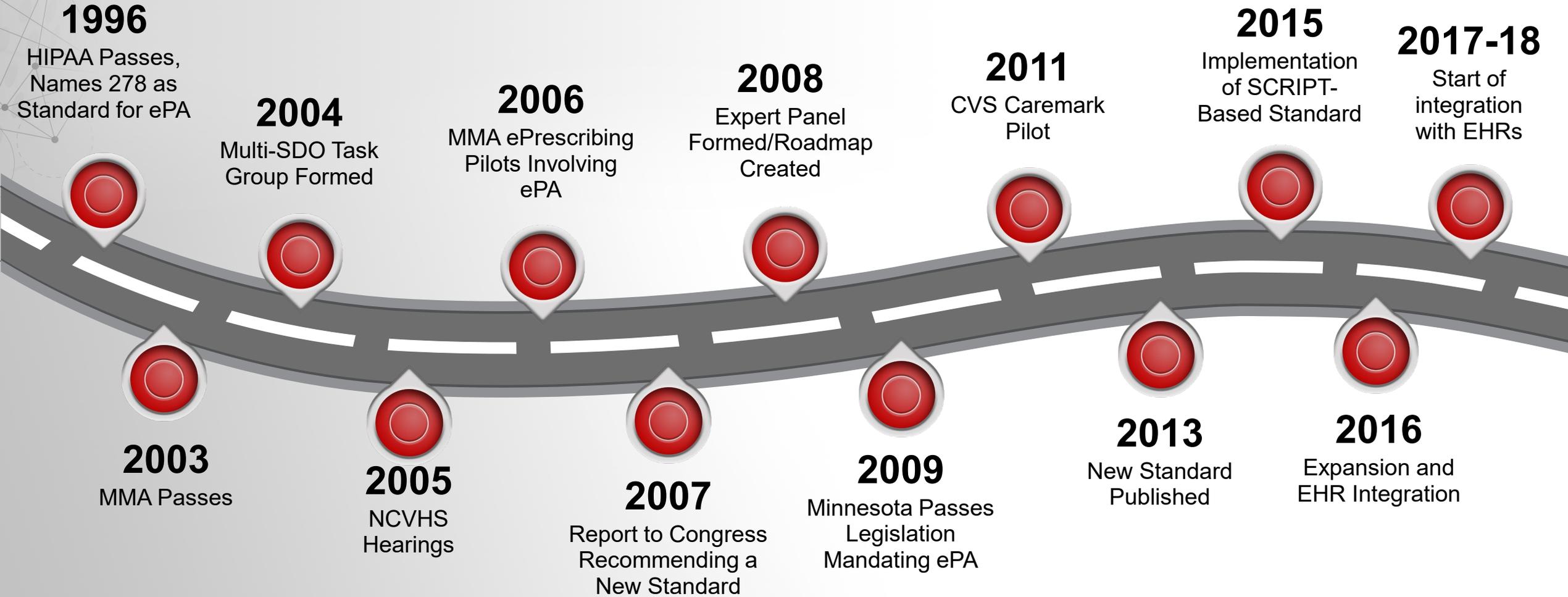Pacemakers

Infusion Pumps

Blood Glucose Meters

Nebulizers

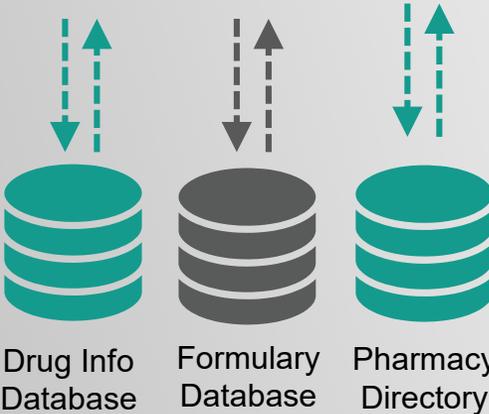## PROCEDURES

Radiology

MRI

Endoscopy

Chemotherapy

Pharmacy ePA Timeline

ePA SCRIPT Standard is Mature and Well Established

1996
HIPAA Passes, Names 278 as Standard for ePA

2004
Multi-SDO Task Group Formed

2006
MMA ePrescribing Pilots Involving ePA

2008
Expert Panel Formed/Roadmap Created

2011
CVS Caremark Pilot

2015
Implementation of SCRIPT-Based Standard

2017-18
Start of integration with EHRs

2003
MMA Passes

2005
NCVHS Hearings

2007
Report to Congress Recommending a New Standard

2009
Minnesota Passes Legislation Mandating ePA

2013
New Standard Published

2016
Expansion and EHR Integration

Current ePrescribing Flow

PHYSICIAN PRACTICE
EHR with eRx System

Request Eligibility,
Drug History

A1

Intermediary

Response

A2

PBM or PLAN
Claims Processing System Benefit
Plan Rules, Formulary, History

Drug Info
Database

Formulary
Database

Pharmacy
Directory

Electronic
Transmission (EDI)

B

New Rx

Refill Request
Refill Auth/Denial
Change Request

C

PHARMACY
Pharmacy Dispensing System
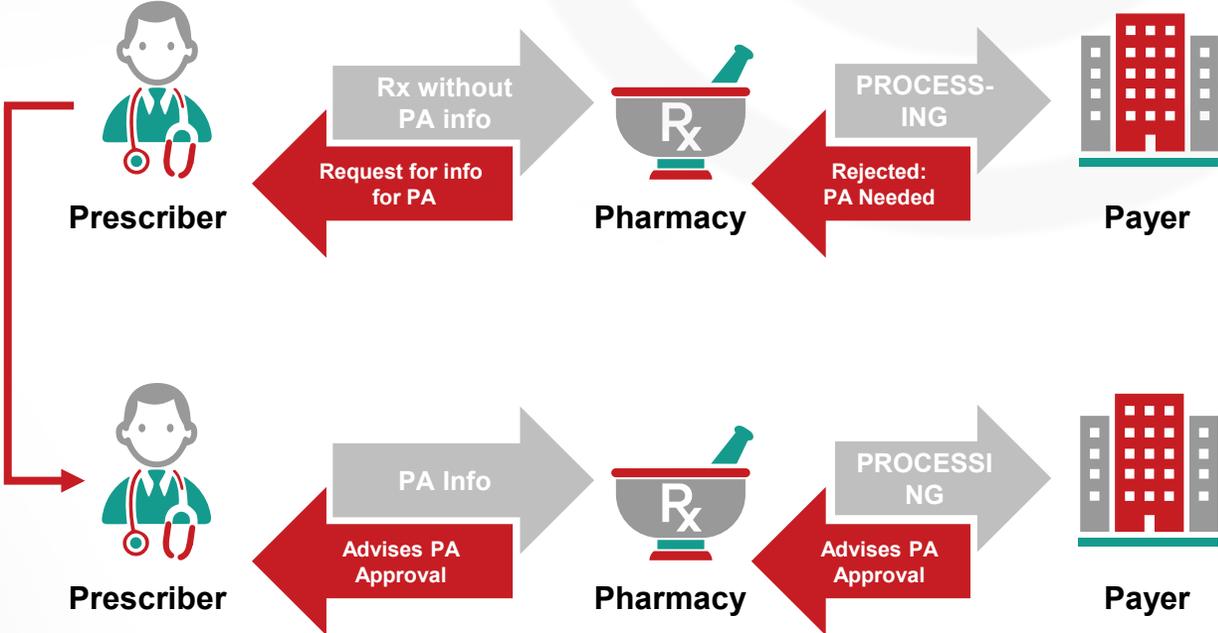
New Standard Enables Multiple Workflows

Prospective vs Retrospective

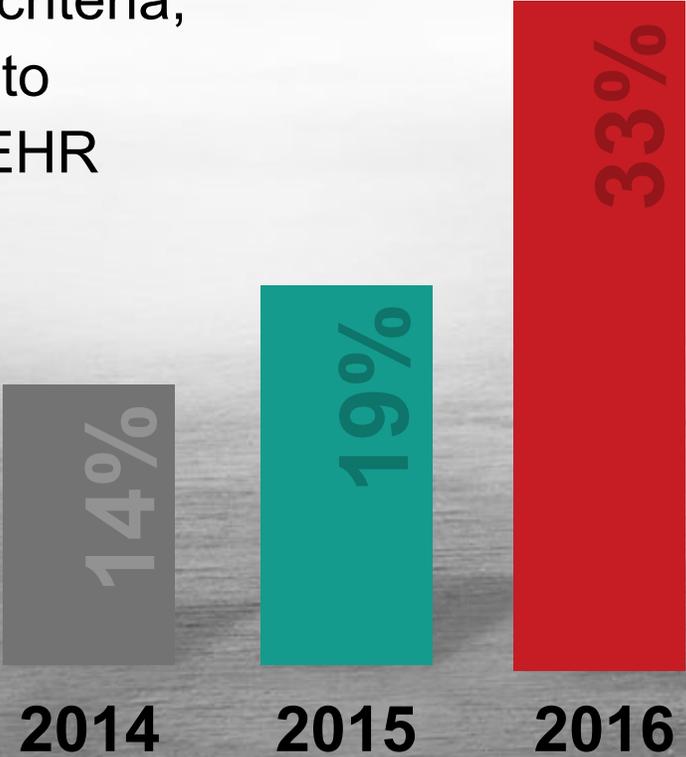**PROSPECTIVE PA**
With PA Info at Time of Prescribing

RETROSPECTIVE PA
Without PA Info at Time of Prescribing

Prescriber — Rx with PA info → Pharmacy — PROCESS-ING → Payer
Payer — Advises PA Approval → Pharmacy — Advises PA Approval → Prescriber

Prescriber — Rx without PA info → Pharmacy — PROCESS-ING → Payer
Payer — Rejected: PA Needed → Pharmacy — Request for info for PA → Prescriber

Prescriber — PA Info → Pharmacy — PROCESSING → Payer
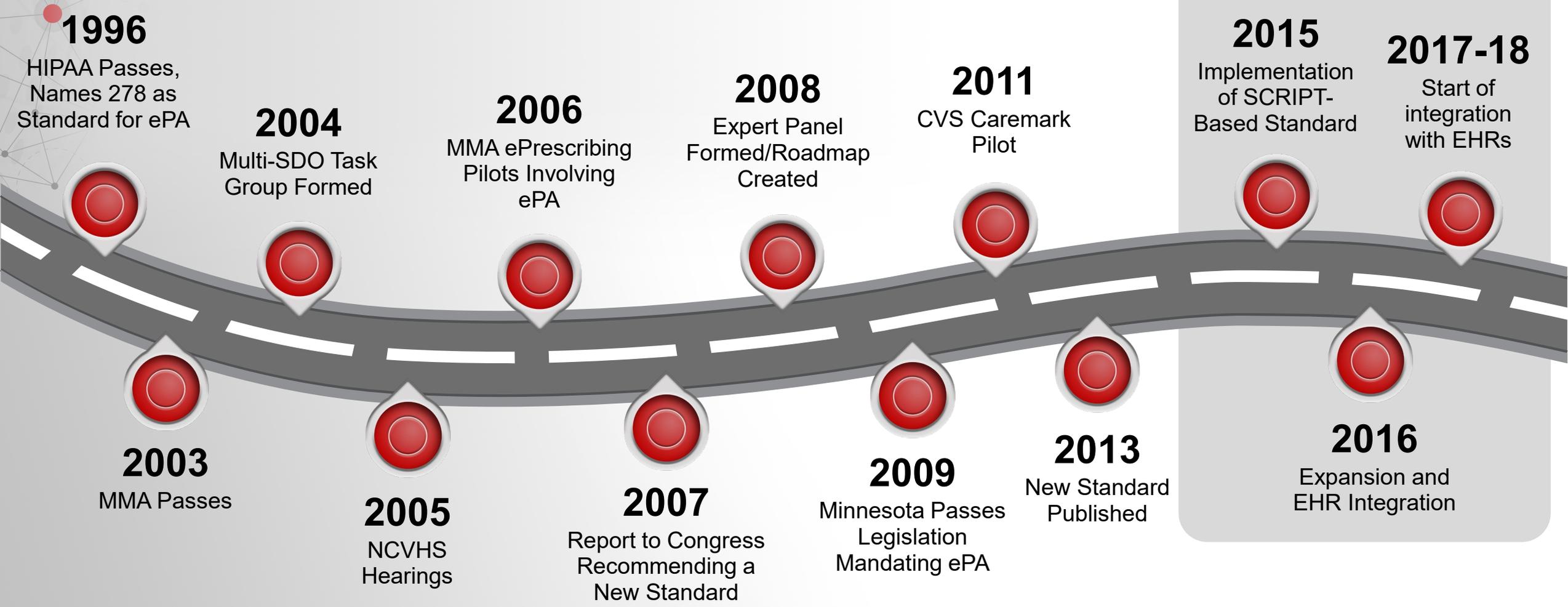Payer — Advises PA Approval → Pharmacy — Advises PA Approval → Prescriber

Gaps in ePrior Authorization for Pharmacy

- Drug requiring PA flagged in only 33% of the cases
  - Lack of EHR integration
    - Lack of standardized criteria, which inhibits ability to extract data from EHR

33%

19%

14%

2014　　**2015**　　**2016**

Source: AMA, HIMSS 2019

ePA Timeline
ePA SCRIPT Standard is Mature and Well Established

PRIMARILY RETROSPECTIVE

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Of physicians surveyed, 1/2 - 2/3 of PA are still completed via phone or fax.
This represents time away from patient care, and higher processing costs for PBMs.

Where Are We Going?

Mandatory electronic prior authorization
for drugs dispensed under Medicare/Medicaid

Elimination of unnecessary PAs

Addition of real-time benefit check

Immediate alerts for PA required and nonformulary prescriptions

Patient-specific, real-time accurate data and coverage information at point of prescribing

LESSONS LEARNED

Rx

Seamless integration
of specialty medications

Increased use of prospective (prescriber to pharmacy) **electronic prior authorization**

Seamless process – data will be extracted from EHRs

Handling of medical and prescription PAs within the same application / EHR

Lessons Learned

Key Stakeholders
need to drive the process

Existing Standards must be augmented

Both Facilitation & Leadership are Critical
Industry leaders must step up but the process must be facilitated by knowledgeable experts whose only "skin in the game" is success

Lessons Learned

Structure and Process
are necessary

"Boiling the Ocean" is not a successful strategy.
Staging and phasing is critically important

Don't be naïve…**politics most definitely plays a role** in standardized solution development

Thank You

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