



# Prior Authorization and the Pharmacy Industry

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# Different Types of Prior Authorization



## DRUGS

Covered under  
Pharmacy Benefit

Covered under  
Medical Benefit



## DEVICES

Pacemakers  
Infusion Pumps  
Blood Glucose Meters  
Nebulizers

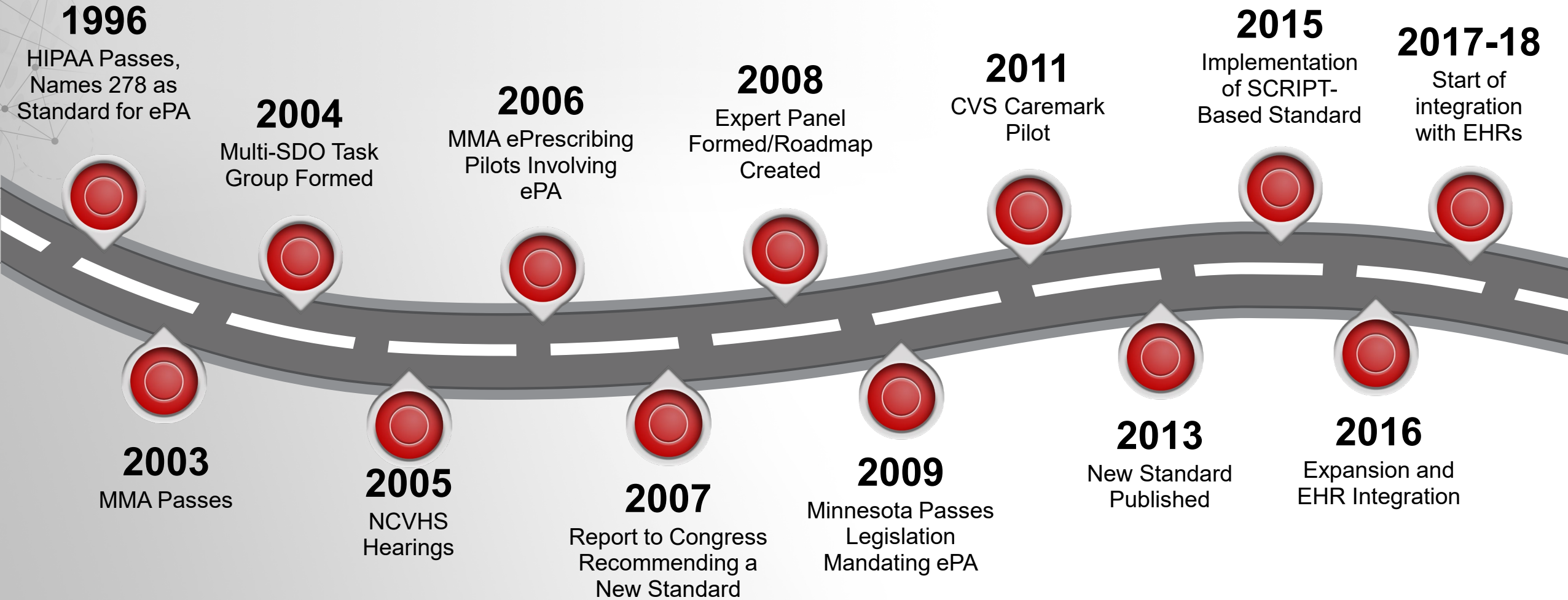


## PROCEDURES

Radiology  
MRI  
Endoscopy  
Chemotherapy

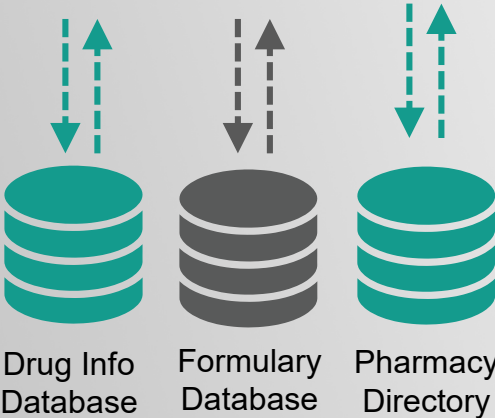
# Pharmacy ePA Timeline

## ePA SCRIPT Standard is Mature and Well Established



# Current ePrescribing Flow

PHYSICIAN PRACTICE  
EHR with eRx System



Request Eligibility,  
Drug History

A1



A2



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

Electronic  
Transmission (EDI)

B



C



PHARMACY  
Pharmacy Dispensing System



# New Standard Enables Multiple Workflows

Prospective

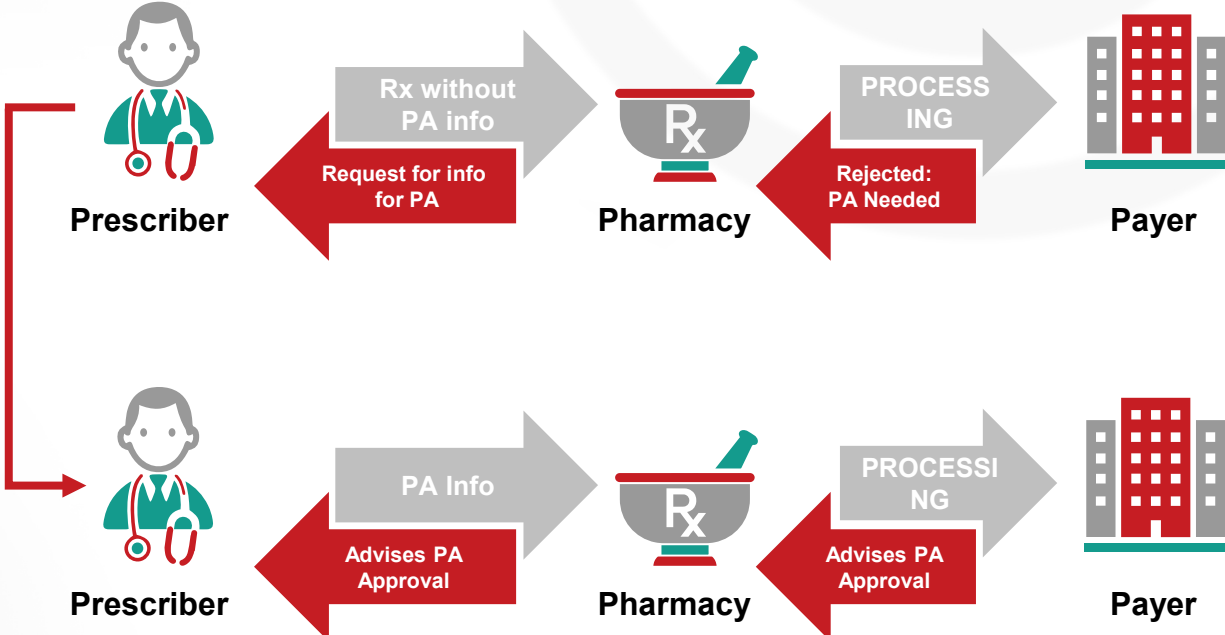


Retrospective

## PROSPECTIVE PA With PA Info at Time of Prescribing

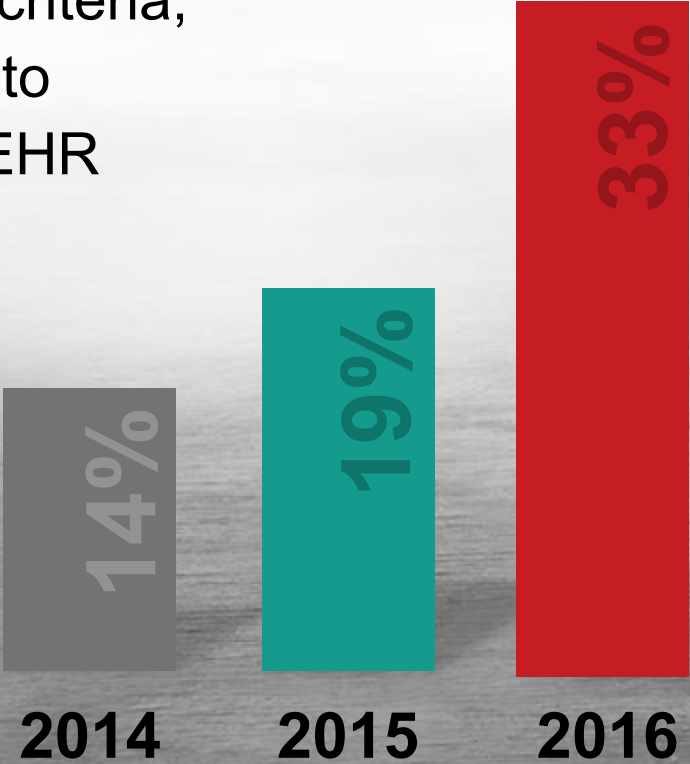


## RETROSPECTIVE PA Without PA Info at Time of Prescribing



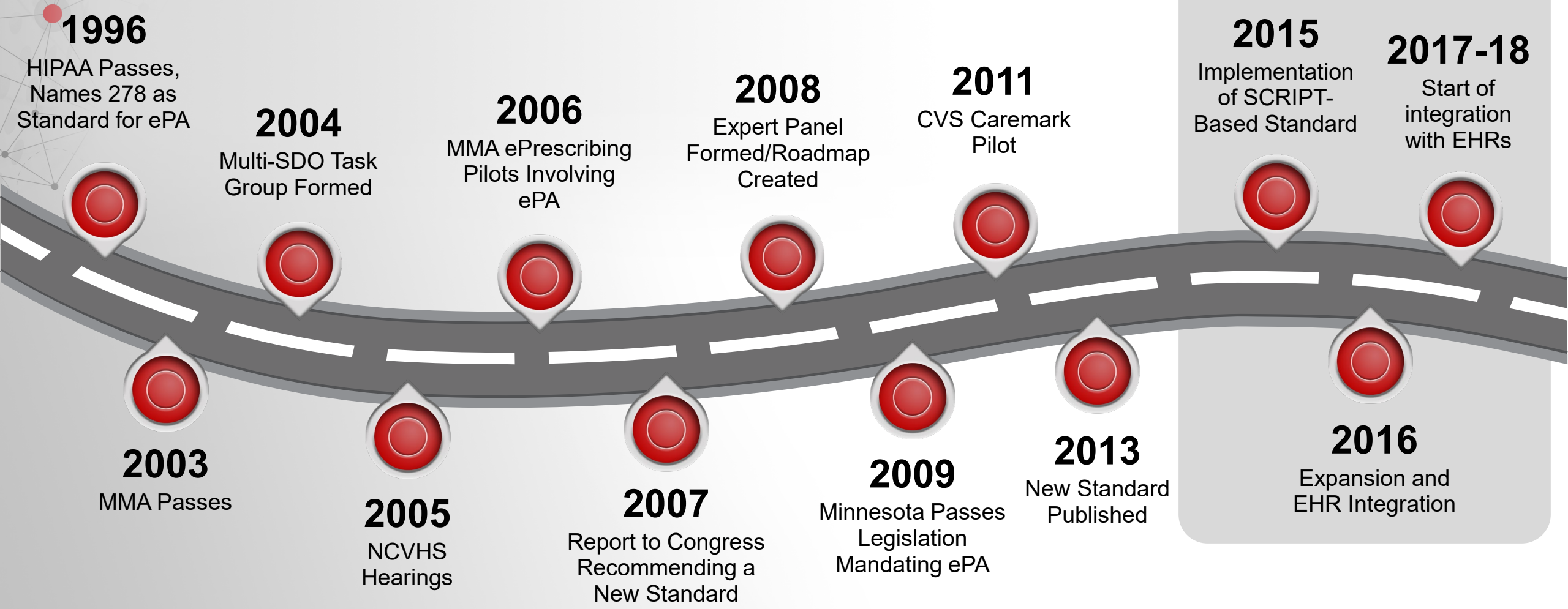
# Gaps in ePrior Authorization for Pharmacy

- 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



# ePA Timeline

## ePA SCRIPT Standard is Mature and Well Established



### PRIMARILY RETROSPECTIVE

*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



**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

**Structure and Process**  
are necessary

# Lessons Learned

**“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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