




The State of the Industry: **e-Prescribing Impact on Patient Affordability, Access and Improved Care**

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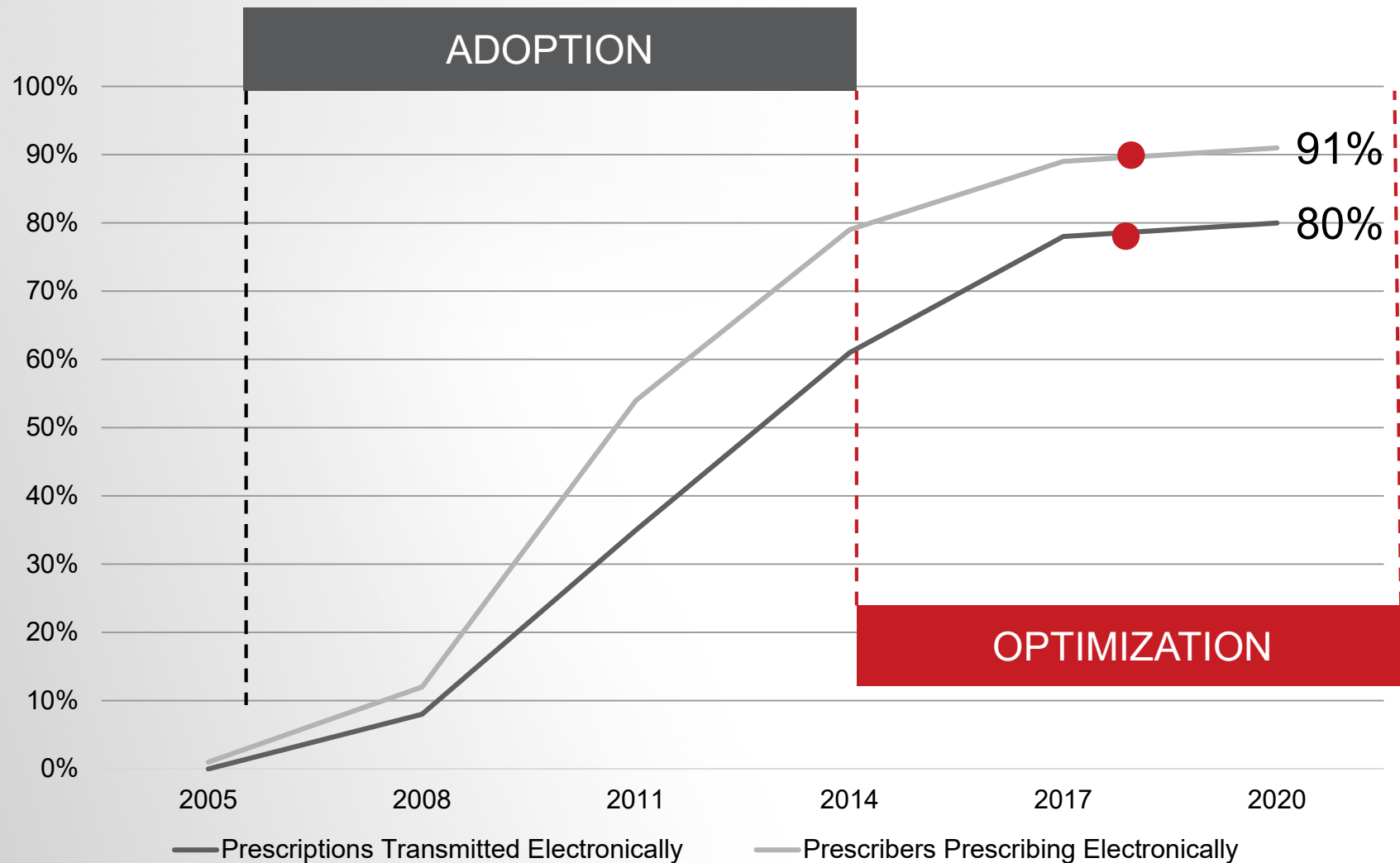
**“To be absolutely certain
about something, one must
know everything or nothing
about it.”**

Henry Kissinger

Former U.S. Secretary of State



The Evolution of ePrescribing



ePrescribing Optimization

Critical Problems Driving Change

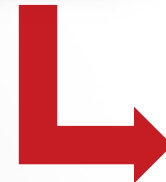
Growth in Higher Cost Medications

Burden of Utilization
Management Techniques



Increasing Patient Out-of-Pocket Costs

Maximum OOP Cost
for Medications



Lack of Price Transparency at the Point-of-Care

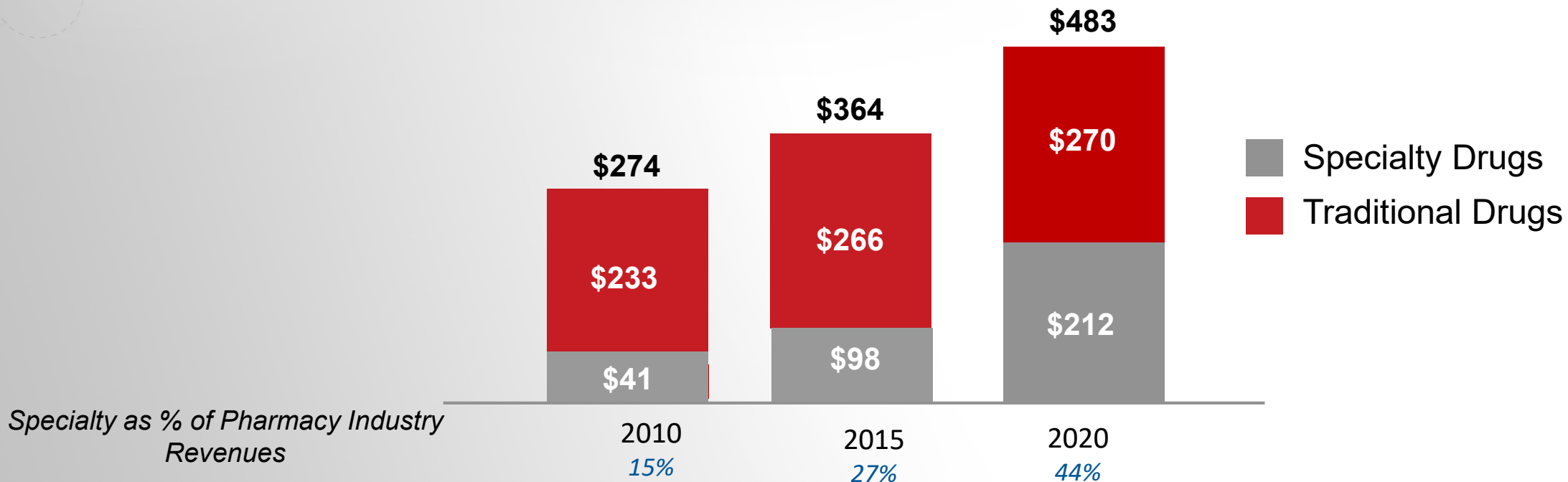


Abandonment
In-efficiencies
Poor Outcomes

Critical Problems Driving Change

Growth in High Cost Drugs

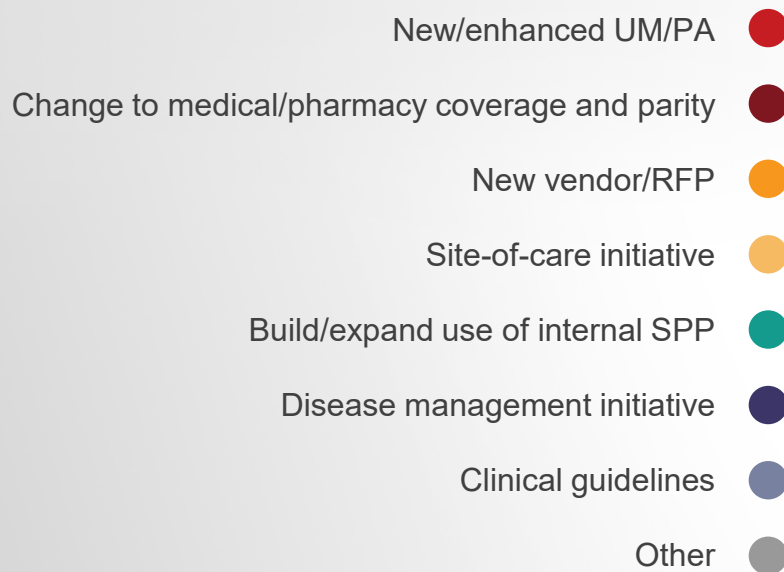
Pharmacy Industry Revenues, Traditional vs. Specialty Drugs, 2010-2020



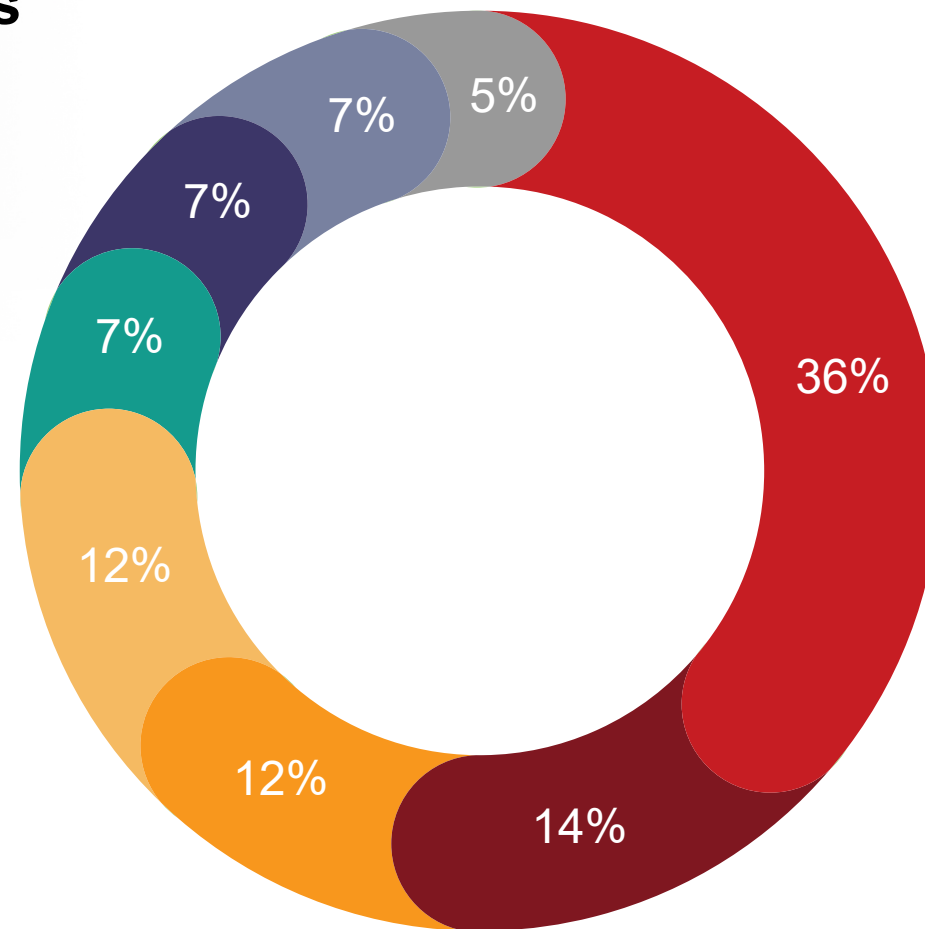
(Figures in billions)
Source: Pembroke Consulting estimates

Growth in High Cost Drugs

Burden of Utilization Management Techniques



36% of plans view new or enhanced UM and PA programs to be their most important initiative.



EMD Serono Specialty Digest, 14th Edition, November 2017

Growth in High Cost Drugs

Burden of Utilization Management Techniques

Use of Selected Utilization/ Clinical Management Tools, Percentage of Plans

	2017		2016	
	Smaller Plans (≤400,000 Lives)	Medium/Large Plans (>400,000 Lives)	All Plans	All Plans
Site-of-care program	44%	95%	61%	48%
Partial fill program	6%	60%	58%	45%
Prior authorization*	92%	95%	93%	98%
ePA	21%	45%	29%	36%

N by size in 2017=39 small, 20 medium/large plans. N in 2016=58.

*Used a PA program for specialty drugs in the medical benefit.

***93% of plans now have a Prior Authorization
Program in program in place.***

Growth in High Cost Drugs

Burden of Utilization Management Techniques

ESTIMATED COSTS OF PRIOR AUTHORIZATION

1 physician hour per week
13.1 nursing hours per week
6.3 clerical hours per week¹

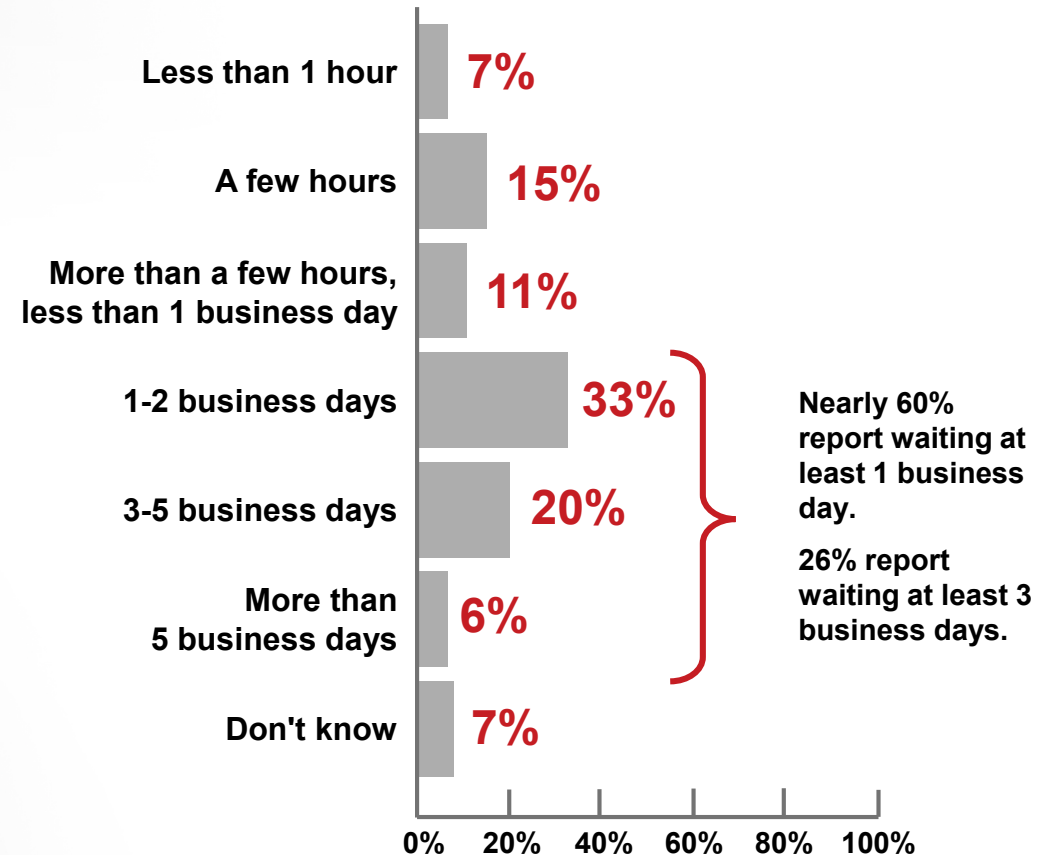
Cost for prior authorization:
\$2,161 to \$3,430 annually
per FTE physician²

Interactions with insurers cost
\$82,975 annually per physician³

Utilization Management Delays Treatment and Creates Inefficiencies for Physicians and Patients

Average Wait Time for Prior Authorization Responses

Question: In the last week, how long on average did your practice need to wait for a PA decision from health plans?

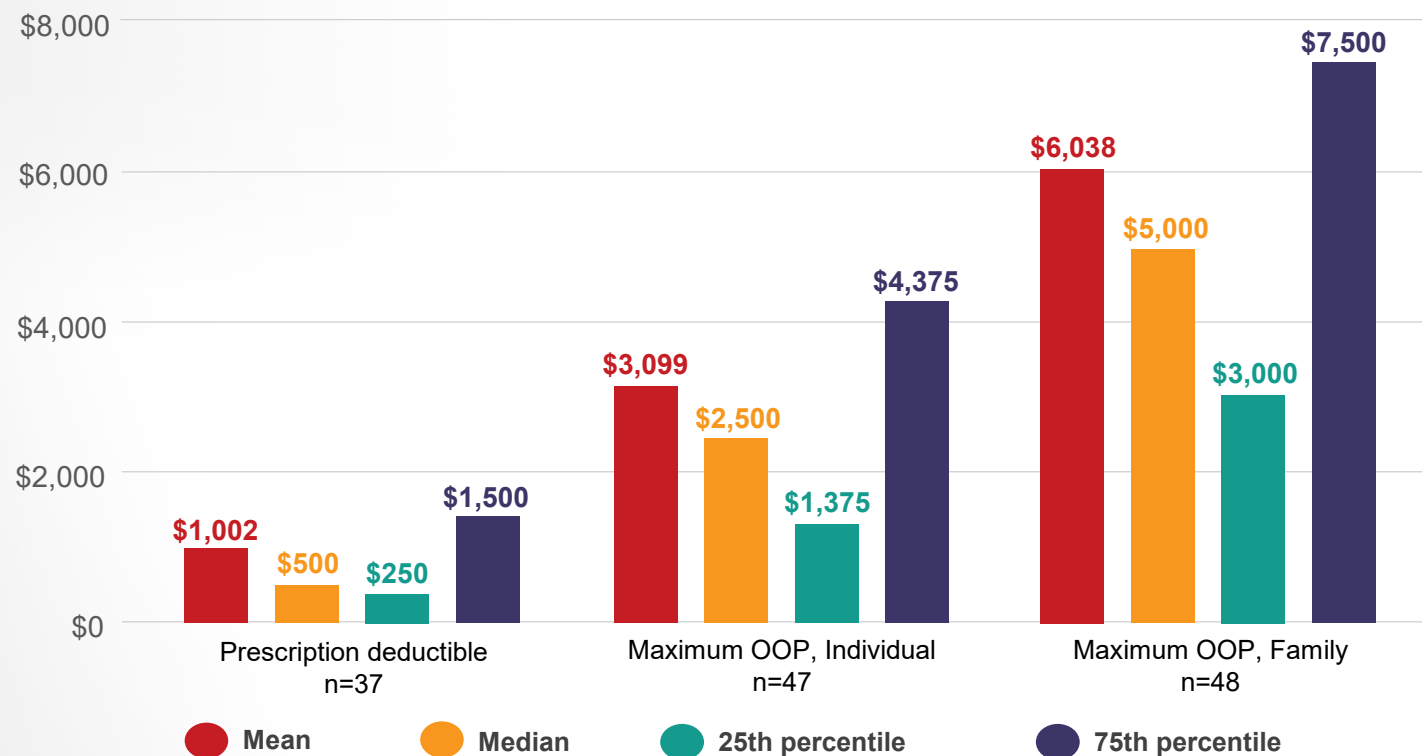


Critical Problems Driving Change

Maximum OOP Cost for Patients

The average prescription deductible is \$1,000 with a maximum out-of-pocket cost over \$3,000 in standard deductible plans

Cost-Sharing in Standard-Deductible Plans



Respondents with a standard-deductible design. All calculations exclude values of \$0.

EMD Serono Specialty Digest, 14th Edition, November 2017

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Critical Problems Driving Change

Lack of Price Transparency

CURRENT STATE

Drugs are prescribed with limited knowledge of costs.

Pharmacists know more about drug costs than prescribers

Prescribers want to know drug costs.

Improved patient adherence & reduces pharmacy call backs

When prescribers see drug costs and options, they respond.

Lowers drug copays & lowers total cost when the prescriber is "at-risk" for pharmacy spend

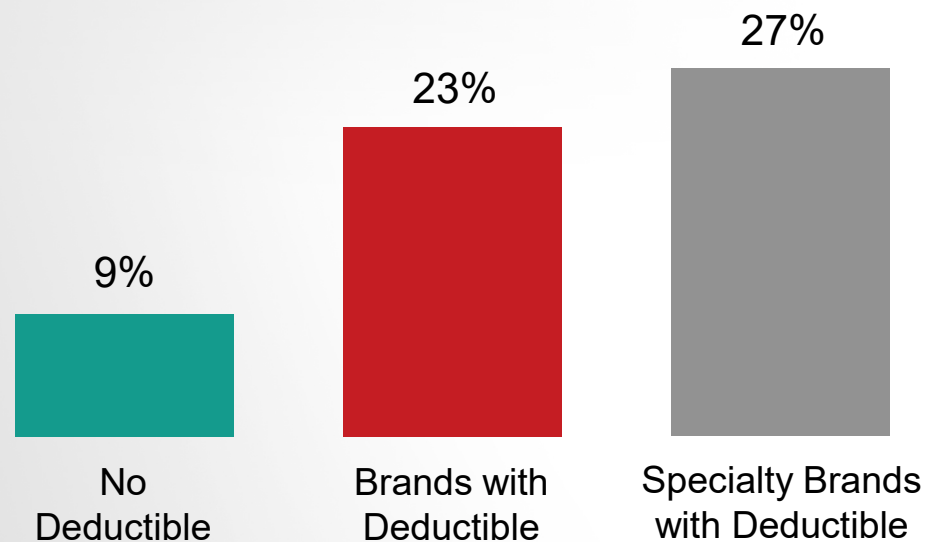
Drug costs are variable & dynamic based on coverage.

Plan and patient-specific coverage are key drivers; therapeutic alternatives exist

Critical Problems Driving Change

Prescription Abandonment

Abandonment Rates for Branded Medicines



Almost 1 in 4 Prescriptions Are Abandoned By Patients During Their Deductible Phase

Source: Amundsen Consulting (a division of QuintilesIMS) analysis for PhRMA; IMS FIA; Rx Benefit Design, 2015



Critical Problems Driving Change

Poor Outcomes Related to Non-Adherence

approximately
125,000
deaths per year in the
United States

33% to 69%
of medication-related hospital
admissions are due to
POOR ADHERENCE

Total cost estimates range
\$100 billion
to \$300 billion
every year, when both direct
and indirect costs are included.

New ePrescribing Technology

Federal and State Mandates Accelerate Deployment and Adoption

Electronic Prior Authorization

Mandatory ePA in Medicare, Medicaid and State Legislation

Support for Patients and Communities Act

Effective 1/1/2021

Mandates and incentives for state Prescription Drug Monitoring Programs for Controlled Substances

11 States Require Payers to Support ePA

Real-Time Pharmacy Benefit Check

Medicare Part D Plans Required to have RTPBC in EHR workflow

Indications-Based Formulary Design

Effective CY2020

Modernizing Part D and Medicare Advantage To Lower Drug Prices and Reduce Out-of-Pocket Expenses

Proposed Effective 1/1/2020

Interoperability

Requirements to use Open APIs, FHIR and Standards to Share Data

21st Century Cures Act: Interoperability, Information Blocking, ONC Health IT Certification

Proposed

CMS Interoperability and Patient Access Proposed Rule

New ePrescribing Technology

Patient Specific Benefit Information at the Point-of-Prescribing

Real-Time Pharmacy Benefit Check (RTPBC) provides patient specific benefit information, improving transparency and ensuring accurate display of tier/preferred information to health care professionals (HCPs)

Patient financial assistance from manufacturers not currently displayed

Formulary status

Tier or Preferred Level

Coverage alerts

Age & Quantity Limits, Prior Authorization (PA), Step Therapy

Channel options

Retail, Mail Order, Specialty

Member Price

Member Copay and Cost Sharing Details

Alternative drugs

Preferred Formulary/ Lower Cost Options

New ePrescribing Technology

Patient Specific Benefit Information at the Point-of-Prescribing

Formulary →

Alternatives →

Medication	Pharmacy Name / Type	Duration (days)	Patient Cost	Select
Glumetza tablet	Retail Pharmacy	30	\$50.00	<input type="radio"/>
Please consider prescribing one of the alternative medications listed below:				
Fortamet tablet	Retail Pharmacy	30	\$10.00	<input type="radio"/>
Glucophage	Retail Pharmacy	30	\$10.00	<input type="radio"/>

This is an estimated cost, so the actual pricing may vary. Because drug prices are subject to change, and the cost provided is an approximation based upon claims and medical information currently available, the actual cost at the pharmacy may differ

Print **Initiate**

← Prior Authorization

← Patient Cost

Medication is covered but requires prior authorization; provides patient cost and recommended alternatives

New ePrescribing Technology

Electronic Prior Authorization

Prescriptions
Electronic PA is
Fast and Efficient



Medical Procedures
Manual PA is Time
Consuming and
Burdensome – Major
“Friction”



ePA Questions - Levenox PA Form

Please provide all information requested. Failure to complete this form in its entirety may result in delayed processing or an adverse determination for insufficient information

Patient: Mary Jones

Medication: M2 Calcium

Requested By: Dr. John Smith

Question: (2/9) Indicate whether the patient exhibits an inadequate response to treatment with at least a 30 day trial of any of the following medications (select all that apply)

Answer: ☒ Flovent

Additional Comments:

☐ Asmanex

Additional Comments:

Next >>

Assessment/Plan

Patient Record Problem List Patient Medications

Include View... Create ePA Request

Source: Medications Category: All Medi-Span Entries

Search Term: HUMIRA Search Starts With Contains

Humira Pen, 40MG/0.8ML (Subcutaneous Kit) - [Rx/Brand] - [Prior Authorization Requ

Humira Pen-Chrons Starter, 40MG/0.8ML (Subcutaneous Kit) - [Rx/Brand] - [Prior Aut

Humira Pen-Psoriasis Starter, 40MG/0.8ML (Subcutaneous Kit) - [Rx/Brand] - [Prior Au

Humira, 20MG/0.4ML (Subcutaneous Kit) - [Rx/Brand] - [Prior Authorization Requ

Humira, 40MG/0.6ML (Subcutaneous Kit) - [Rx/Brand] - [Prior Authorization Requ

Confirm

Do you want to electronically submit an authorization request for this medication?

Yes No Cancel

Payer provided alternatives

No alternatives found

Therapeutic subclass alternatives

ePA technologies and portal solutions maturing to support more procedures and question sets

Best practices from Drug ePA (workflow and standards development) apparent in leading medical PA vendors' efforts

New ePrescribing Technology

Interoperability

Interoperability has become a major policy focus of CMS

PHYSICIAN AUTOMATION

Make Physician Offices
a “Fax-Free Zone” by 2020¹



Interoperability Actions

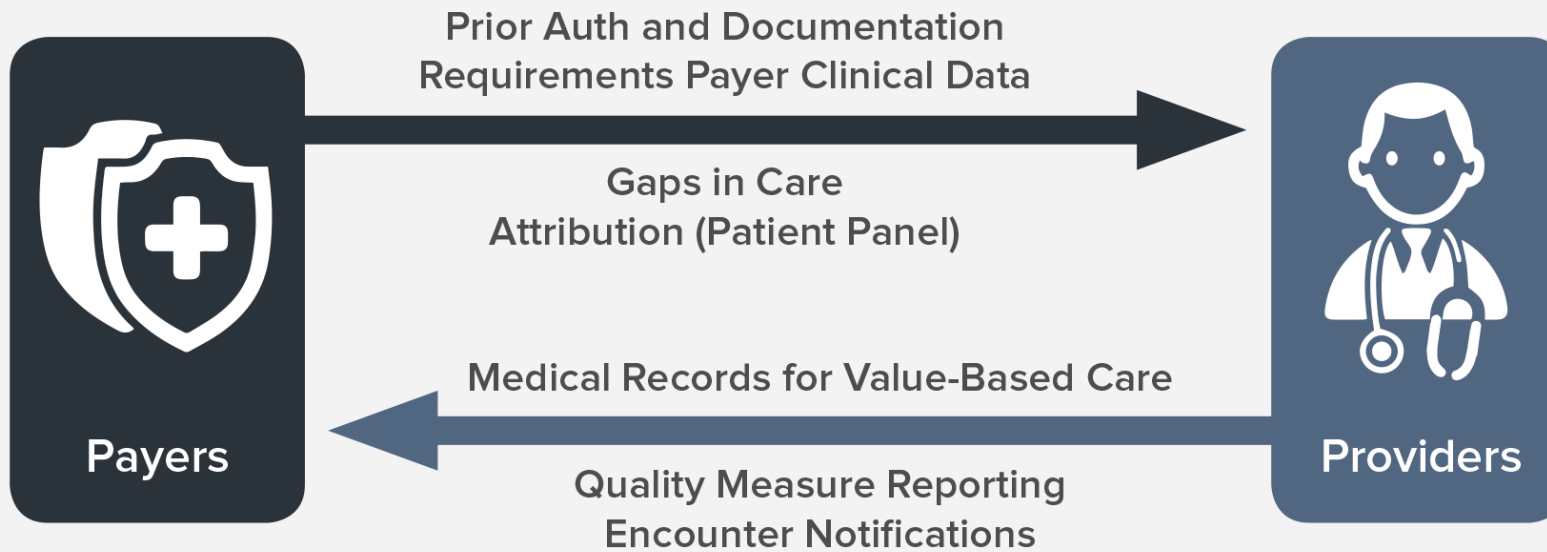
- Focus priority in rule-making authority
- Overhauled the Meaningful Use programs to the “Promoting Interoperability” programs
- Blue Button 2.0 to promote open APIs

Reference: 1. Seema Verma, ONC's Interoperability Forum, August 2018.

New ePrescribing Technology

Interoperability

In Less Than Two Years, Da Vinci Efforts Will Drive Standards for the Exchange of Information Critical to Patient Care



New ePrescribing Technology

Drivers to the Future State

Mandatory ePA and RTPBC

for drugs dispensed under Medicare/Medicaid

Medical and prescription PAs within the same application / EHR

Interoperability increases the optimization of ePrescribing

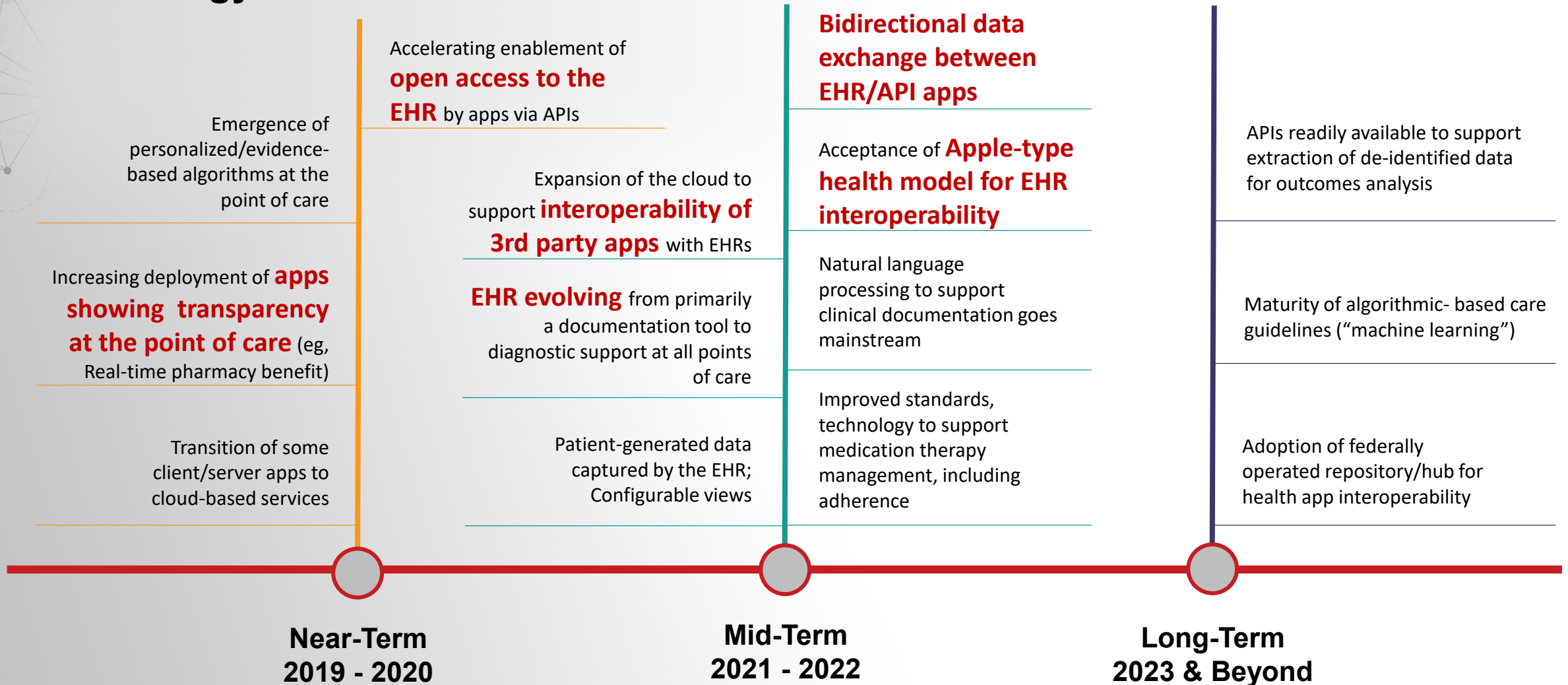
Drivers

- Legislative and regulatory mandates
- Agreement and increased use of standards
- Open APIs
- Successful use cases to drive HCP adoption

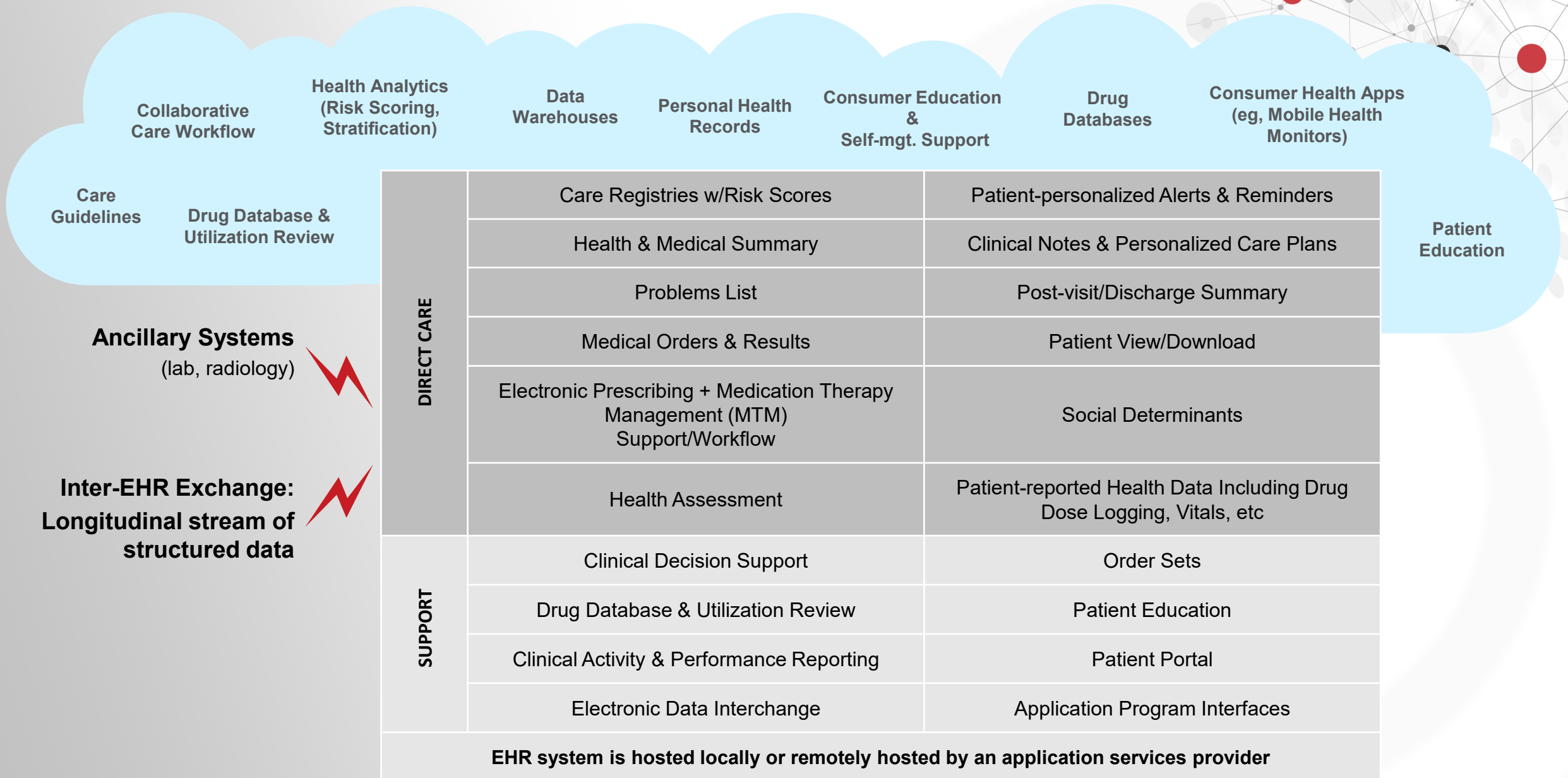


5-Year EHR Roadmap

Technology Trends



EHR Ecosystem: Future State (2021-2023)



Future EHR Ecosystem

Trends Impacting Pharmaceutical Industry



Improvement in EHR Data Quality, Liquidity and Transparency

- Increasing impact of drug utilization data and payer information on prescribing decisions
- More robust patient-generated data and surveys
- Increased availability of health information needed for outcomes and market access decisions



EHR Diagnostic, Analytic and Treatment Capabilities Increase

- More patients in need of care able to be identified (Pop Health)
- Targeted diagnosis precisely identifies appropriate patients for specific treatments



Expansion of cloud-based apps integrated with EHRs

- Increased influence of remote technology on diagnosis and treatment decisions
- Customized workflows and configurable views improve physician and patient experience



Adoption of Consumer “Apple-type” Health Model

- Better patient health information continues the rise in health consumerism
- “Intelligent patient education” delivers precise and curated content

Future EHR Ecosystem

Opportunities for Pharmaceutical Companies

More robust EHR data better measures effectiveness of treatments

- Validated Patient Surveys
- Drug compliance

Increase adherence and compliance through active tracking of drug utilization data

Post-launch outcomes research and real-world evidence studies to increase patient access

Payer information and tools at the point-of-care increases 1st fill rates, compliance and speeds time-to-therapy



Improvement in EHR Data Quality, Liquidity and Transparency

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Future EHR Ecosystem

Opportunities for Pharmaceutical Companies

Educate and work with customers to use improved EHR capabilities to increase appropriate use of brands

- Patient Identification (lists, reports, alerts)
- Population Health

Ensure brands are readily accessible in the EHR workflow

- Drug databases
- Order Sets
- Treatment Regimens

Move patients through the clinical pathway to the appropriate therapy



EHR Diagnostic, Analytic and Treatment Capabilities Increase

- More patients in need of care able to be identified (Pop Health)
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Future EHR Ecosystem

Opportunities for Pharmaceutical Companies

Pharma sponsored applications that increase appropriate use and compliance when patients are prescribed a medication

Create personalized patient education

- Build capabilities (APIs, etc) for health systems to “pull” patient education
- EHR analytics actively serves up patient education to the right patient at the right time

Understand and partner with new technology vendors in the EHR ecosystem



Expansion of cloud-based apps integrated with EHRs

- Increased influence of remote technology on diagnosis and treatment decisions
- Customized workflows and configurable views improve physician and patient experience

Future EHR Ecosystem

Opportunities for Pharmaceutical Companies

New opportunities to raise brand awareness and educate consumers

- New advertising channels
- Once a patient is prescribed a treatment they self-select solutions from manufacturer

Emerging new consumer health business models



Adoption of Consumer “Apple-type” Health Model

- Better patient health information continues the rise in health consumerism
- “Intelligent patient education” delivers precise and curated content

Future EHR Ecosystem

Engaging Customers



Knowledge about How EHRs Work and How to Leverage Systems

Understanding EHR systems is foundational knowledge for pharmaceutical companies

EHR-literate sales and account teams required for execution effectiveness and credibility



Accessibility of the Brands in the EHR Workflow

The right actions can accelerate product availability in the EHR

Sales teams can help customers access products quicker and easier and leverage EHRs to improve patient outcomes

Questions?

Thank You!

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