Electronic Prior Authorization (ePA):
Overcoming Barriers to Implementation

Dr. Anita Murcko
Melissa Brown
Tony Schueth

June 18, 2014

NCPDP™

AMCP Academy of Managed Care Pharmacy®

Purpose

- Understand the framework of ePA
- Learn about the value of the new ePA transaction standards when compared to the current system
    - Significant opportunity to enhance ePrescribing and Prior Authorization (PA) workflows
- Hear about insights gained from a national pilot
- Become aware of the current landscape and the different approaches or phases of implementation
- Learn how you can help accelerate ePA adoption
    - Future: AMCP - currently developing Steering Committee to create a Managed Care ePA Implementation Guide

Agenda

- **Forms, Fax, Phones and Portals:** The impact of prior authorization (PA) today
- **The New Standard for Electronic Prior Authorization**: Improved workflow efficiency solution
- **Why Now:** The Drivers of Standardized Electronic Prior Authorization (ePA)

About AMCP

The Academy of Managed Care Pharmacy (AMCP) is a national professional association of pharmacists, health care practitioners and others who develop and provide clinical, educational and business management services on behalf of more than 200 million Americans covered by a managed pharmacy benefit. AMCP members are committed to a simple goal: providing the best available pharmaceutical care for all patients. Some of the tasks AMCP's more than 6,000 members perform include:

- Monitoring the safety and clinical effectiveness of new medications on the market
- Alerting patients to potentially dangerous drug interactions when a patient is taking two or more medications prescribed by different providers
- Designing and carrying out medication therapy management programs to ensure patients are taking medications that give them the best benefit to keep them healthy
- Creating incentives to control patients' out-of-pocket costs, including through lower copayments on generic drugs and certain preferred brands.

Mission: To empower its members to serve society by using sound medication management principles and strategies to improve health care for all.

About NCPDP

Founded in 1977, the National Council for Prescription Drug Programs (NCPDP) is a not-for-profit, ANSI-accredited, Standards Development Organization with over 1,600 members representing virtually every sector of the pharmacy services industry.

NCPDP members have created standards such as the Telecommunication Standard and Batch Standard, the SCRIPT Standard for e-Prescribing, the Manufacturers Rebate Standard and more to improve communication within the pharmacy industry.

Our data products include dataQ®, a robust database of information on more than 76,000 pharmacies, and HCIdea®, a database of continually updated information on more than 2.3 million prescribers. NCPDP's RxReconn® is a legislative tracking product for real-time monitoring of pharmacy-related state and national legislative and regulatory activity. www.ncpdp.org

Today's Speaker

Anita Murcko, MD, FACP – President and CEO of Cambiare, LLC

Dr. Anita Murcko is president and CEO of Cambiare, LLC and a clinical associate professor with more than 20 years of practice experience as an internal medicine physician. She has been formative in Arizona's health information exchange (HIE), e-prescribing and electronic health records (EHR) initiatives. She is a recent recipient of the American College of Physicians (ACP) Laureate Award, The Arizona Capital Times as a Leader of the Year in Public Policy for Healthcare and selected by the Arizona Business Magazine as a Health Care Leader of the Year in Public Policy for Healthcare finalist.

Most recently, Dr. Murcko provided clinical leadership for the Arizona Medical Information Exchange (AMIE) and the Purchasing & Assistance Collaborative for Electronic Health Records (PACeHR) as its Medical Director for Clinical Informatics & Provider Adoption.

Dr. Murcko received her MD from the University of Pittsburgh School of Medicine and completed her internal medicine residency at Indiana University.

Today's Speaker

Melissa Brown – Director of Benefits Messaging, Surescripts

Melissa Brown is a Product Director at Surescripts where she is responsible for Electronic Prior Authorization and other product offerings that leverage NCPDP Standards.

Melissa is an active member of NCPDP and has more than 19 years of experience with the development, launch and implementation of health care information technology products and services. Melissa has a Bachelor of Science Degree from the University of Wisconsin.

Today's Speaker

Tony Schueth – Leader, Prior Authorization Workflow-to-Transactions Task Group, NCPDP; CE0 & Managing Partner, Point-of-Care Partners

Tony is leader for the NCPDP electronic prior authorization (ePA) workflow-to-transactions task group, a co-leader of the NCPDP Specialty ePrescribing task group, and is on the Academy of Managed Care Pharmacy HIT Advisory Council.

He is also CEO & managing partner of Point-of-Care Partners (POCP), a health information technology (HIT) strategy and management consulting firm specializing in the evolving world of electronic health records. A 25-year healthcare veteran, he is an expert in HIT, in general, and one of the nation's foremost experts in ePrescribing, ePrior Authorization and eMedication Management.

He has a master of science degree from Northwestern University in Evanston, Illinois and a bachelor of arts degree from Butler University in Indianapolis, Indiana.

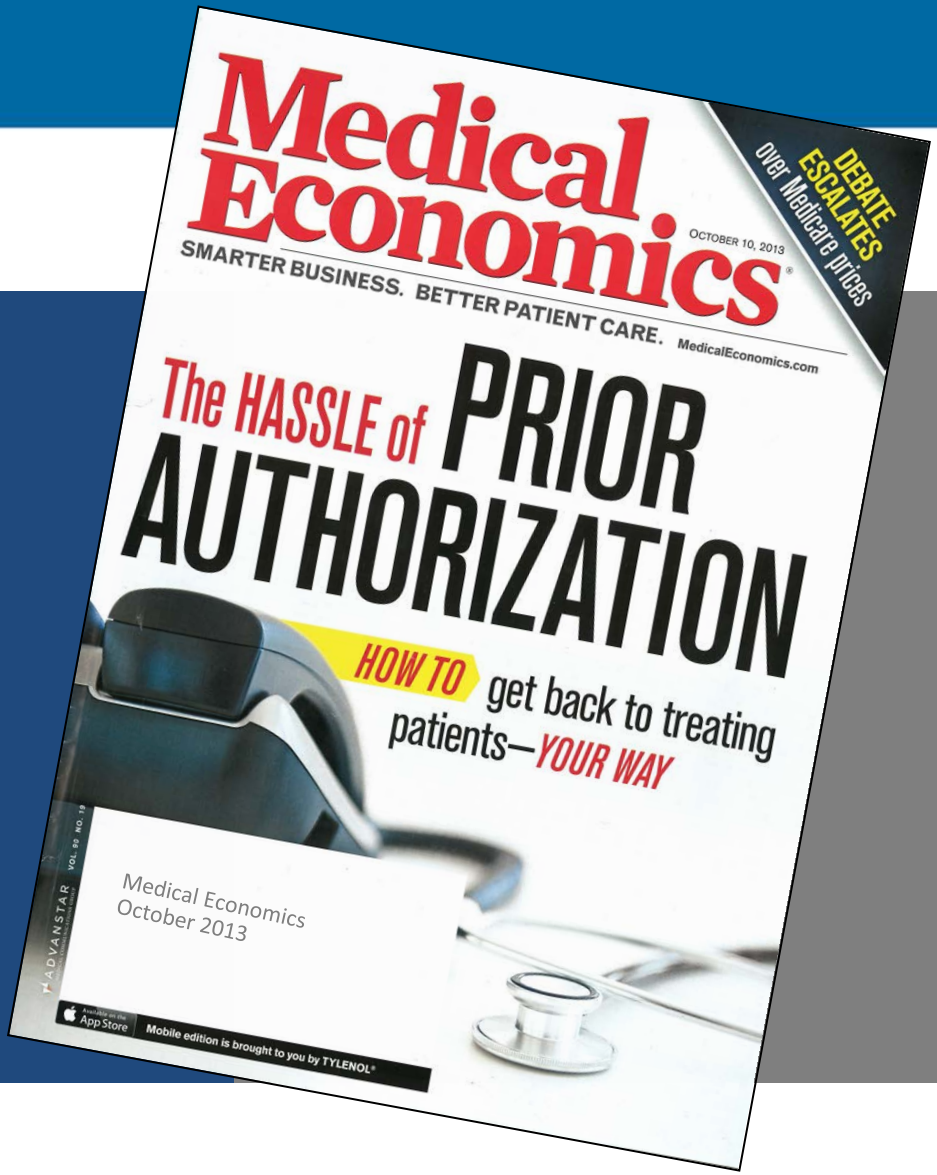
Faculty Disclosures

- Dr. Anita Murcko, Melissa Brown, and Tony Schueth, report no actual or potential conflicts of interest associated with this presentation

Forms, Fax, Phones and Portals

The impact of prior authorization (PA) today

Anita Murcko, MD, FACP



"It's a **nuisance, time-consuming, and often not in the patient's best interest**"

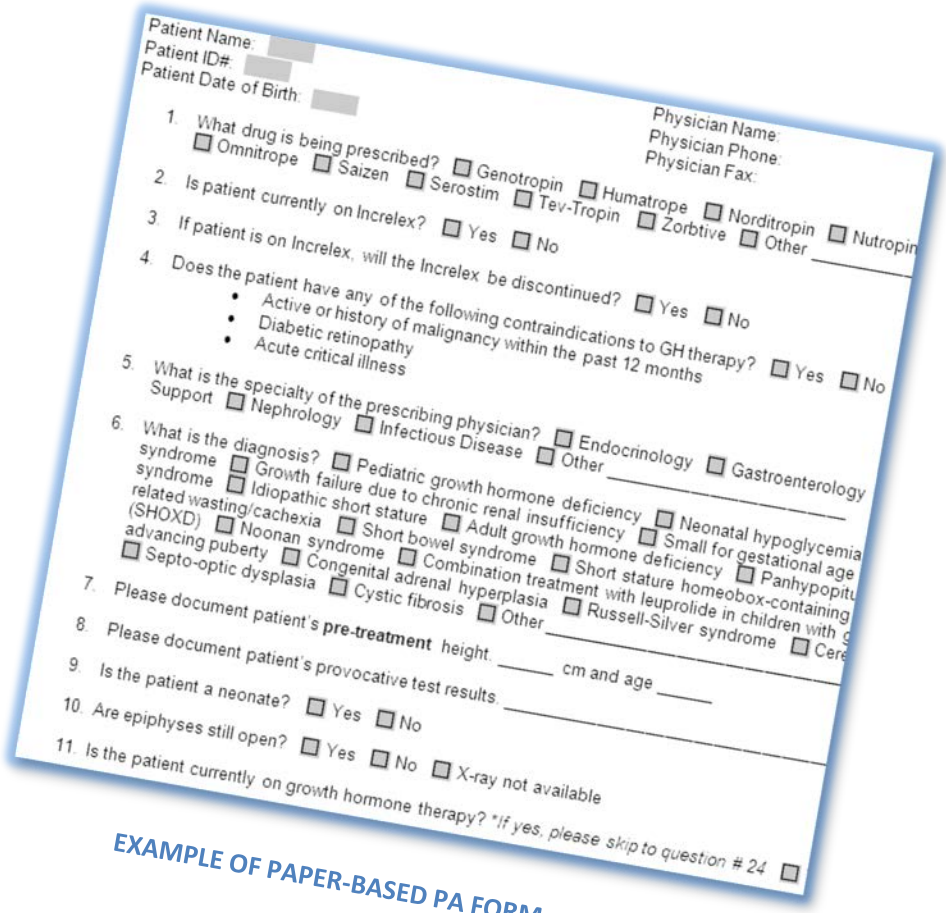
–George G. Ellis, Jr., MD Internal medicine physician & Medical Economics editorial advisor

How did we get here?

What is Prior Authorization?

Cost-savings feature that helps to ensure the safe and appropriate use of selected prescription drugs and medical procedures.

- Criteria based on clinical guidelines and medical literature
- PA drug list and criteria vary by payer



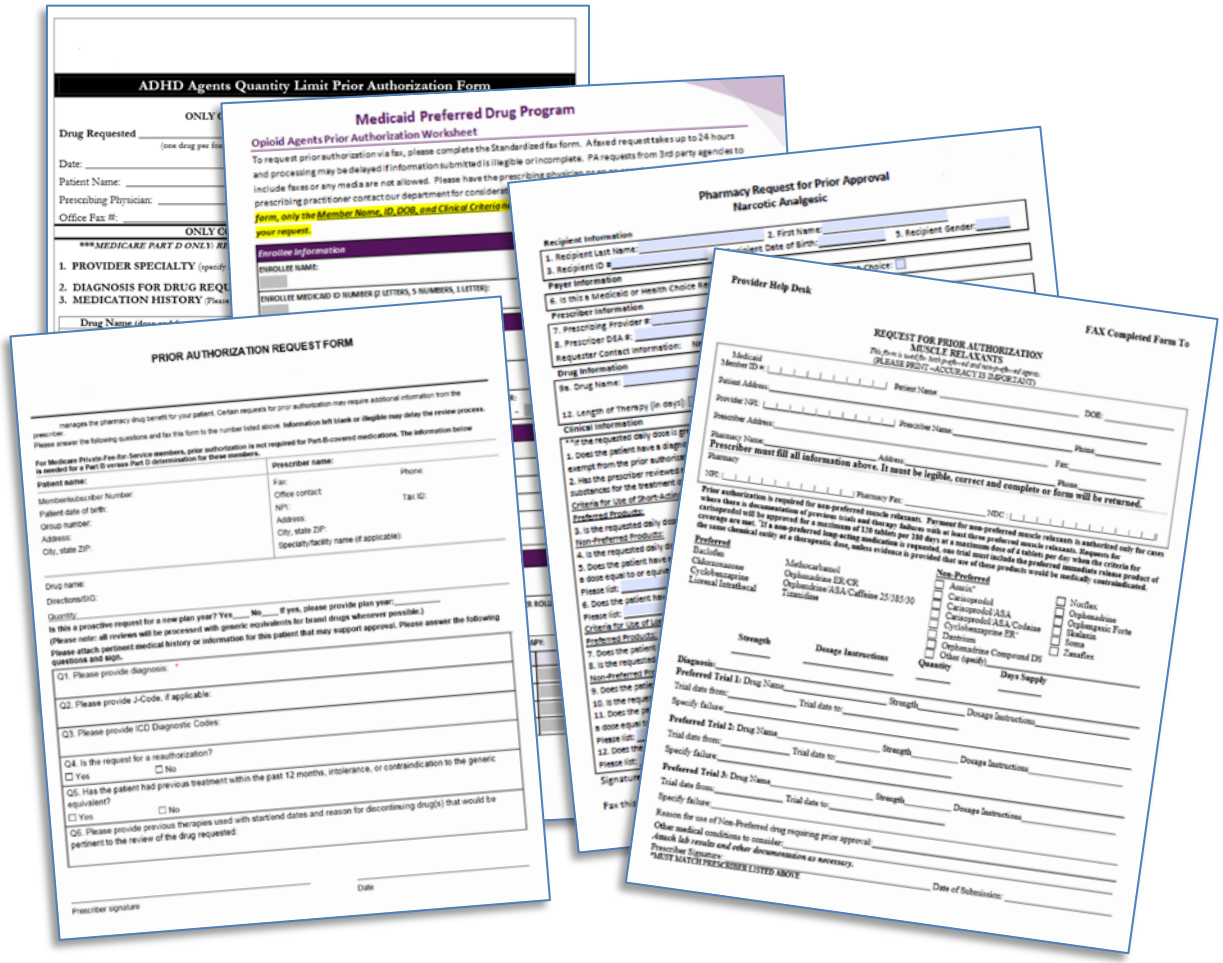
Patient Name:
Patient ID#:
Patient Date of Birth:

Physician Name:
Physician Phone:
Physician Fax:

1. What drug is being prescribed? ☐ Genotropin ☐ Humatrope ☐ Norditropin ☐ Nutropin ☐ Omnitrope ☐ Saizen ☐ Serostim ☐ Tev-Tropin ☐ Zorbtive ☐ Other _____
2. Is patient currently on Increlex? ☐ Yes ☐ No
3. If patient is on Increlex, will the Increlex be discontinued? ☐ Yes ☐ No
4. Does the patient have any of the following contraindications to GH therapy? ☐ Yes ☐ No
   - Active or history of malignancy within the past 12 months
   - Diabetic retinopathy
   - Acute critical illness
5. What is the specialty of the prescribing physician? ☐ Endocrinology ☐ Gastroenterology ☐ Support ☐ Nephrology ☐ Infectious Disease ☐ Other _____
6. What is the diagnosis? ☐ Pediatric growth hormone deficiency ☐ Neonatal hypoglycemia ☐ syndrome ☐ Growth failure due to chronic renal insufficiency ☐ Small for gestational age ☐ syndrome ☐ Idiopathic short stature ☐ Adult growth hormone deficiency ☐ Panhypopitu related wasting/cachexia ☐ Short bowel syndrome ☐ Short stature homeobox-containing (SHOXD) ☐ Noonan syndrome ☐ Combination treatment with leuprolide in children with g advancing puberty ☐ Congenital adrenal hyperplasia ☐ Russell-Silver syndrome ☐ Cere ☐ Septo-optic dysplasia ☐ Cystic fibrosis ☐ Other _____
7. Please document patient's **pre-treatment** height _____ cm and age _____
8. Please document patient's provocative test results _____
9. Is the patient a neonate? ☐ Yes ☐ No
10. Are epiphyses still open? ☐ Yes ☐ No ☐ X-ray not available
11. Is the patient currently on growth hormone therapy? *If yes, please skip to question # 24 ☐

EXAMPLE OF PAPER-BASED PA FORM

PA Forms and Formats Differ by Plan and Drug



manual completion and submission is burdensome

Manual Prior Authorization Impacts Everyone

- At pharmacy patient and pharmacist learn prior authorization (PA) needed
- Pharmacist phones or faxes prescriber to request PA initiation
- Provider and pharmacy benefit manager (PBM) exchange multiple calls, faxes, portal forms
- After waiting days—or even weeks— and more calls PA obtained and patient notified

Prior Authorization: Measurable Burden

"On average, **physicians spent more time dealing with** [drug PAs] than any other interaction"

Health Affairs

May 2009

"What Does It Cost Physician Practices To Interact With Health Insurance Plans?"

Prior Authorization Impact on Prescribers

"Interactions with health plans cost practices **$23 to $31** billion yearly"

3 - 8 hours

Per physician each week[1]

$ Thousands

Per physician each year[1]

1. Health Affairs, Volume 28 No4 w533. July/August 2009: "What Does it Cost Physician Practices to Interact with Health Plans?" Lawrence P. Casalino, et al.

Prior Authorization Impact on PBMs

90%

OF PA REQUESTS REQUIRE PHONE OR FAX[1]

OPERATIONAL INEFFICIENCY

$20 -25 PER SUBMISSION TO PBM[2]

91%

OF PHYSICIANS ARE "FRUSTRATED WITH PAs"[3]

PHYSICIAN ABRASION

DAMAGED REPUTATION[4]

PATIENT COMPLAINTS

1. Managed Healthcare Executive, 2009, *Manage Medical Advances with Automated Prior Authorization*, D. Moeller
2. American Journal of Managed Care, *A Physician-Friendly Alternative to Prior Authorization for Prescription Drugs*, Published Online, Dec. 2009
3. National Council for Prescription Drug Programs (NCPDP) ePA Task Group, December 2011
4. HealthCare Payer News, *Streamlining Pre-authorizations to Prevent Physician Abrasion*, Feb. 2013

Prior Authorization Impact on Pharmacy

- **$11,440** cost per pharmacist per year[1]
- **4 hours median time** spent on PAs per week

1 Krieger, Leah (2011, Spring). *Prescription for Prior Authorizations: A Better Way.* Retrieved March 2014, from http://www.policymattersjournal.org/krieger.html.

PA Impacts Patient Wait Times for Medicine

"My doctor increased the dose from 2mg to 4mg. I went to pick up my new script only to find out my insurance requires a Prior Auth. So I can't pick up my script until this is settled and I am out of meds." - *Patient, Online Forum*

Quote from http://www.crazymeds.us/CrazyTalk/index.php/topic/16320-abilify-pre-authorization-cant-get-script/

Streamlining Prior Authorization is a Top Priority for Providers

#1

Most desired e-prescribing capability is ePA[1]

91%

Frustrated with prior authorization[2]

28%

Would switch EHR vendor for ePA[3]

1 NCPDP ePA Task Group, 2011
2 Surescripts Survey (n = 2,391) http://www.ncpdp.org/pdf/NCPDPePATaskGroup_WhereHaveWeBeen_%20Final121511.pdf
3 Surescripts Survey (n=123)

Gaps in Current PA Activities

- Prescriber often not aware that prescribed drug requires PA
- Criteria not residing within EHR or visible to physician
- Does not automate the entire process – various workarounds that may or may not meld together
- Paper forms and portals require manual reentry of data that may already reside electronically within an EMR
- Multiple routes to obtain PA depending on health plan, drug, pharmacy, and patient combination

The New Standard for Electronic Prior Authorization

Improved workflow efficiency solution

Melissa Brown

NCPDP SCRIPT Standards for ePrescribing

- **Formulary, benefit, eligibility capabilities**
  - exchange between prescribers and payers for pharmacy benefits

- **Prescription routing and medication history capabilities**
  - exchange between prescribers, pharmacies, intermediaries, payers

NEW

- **Electronic prior authorization capabilities**
  - exchange between prescribers and payers for pharmacy benefits

NCPDP SCRIPT Standard for Electronic Prior Authorization (ePA) Transactions

- Officially approved as part of the NCPDP SCRIPT Standard in July 2013

Reducing administrative burden + Increasing workflow efficiency

NCPDP SCRIPT Standard ePA transactions were Successfully Pilot Tested

Pilot supported by industry leading companies

- Allscripts
- CVS Caremark
- Navinet/CoverMyMeds
- Surescripts

NCPDP SCRIPT Standard transactions Enables Options for ePrior Authorization Workflow

- **Prospective** workflow initiated at prescriber level ***before*** sending e-prescription to pharmacy
  - Physician identifies drugs requiring a PA before prescription is sent

- **Retrospective** workflow initiated at pharmacy ***after*** prescriptions is sent and rejected by PBM

Prospective ePA Implementation Approves PA **Before** RX is Sent

PHYSICIAN

notified if selected drug needs prior authorization

Benefit & formulary data referenced

ELIGIBILITY REQUEST / RESPONSE

PA INITIATION REQUEST / RESPONSE

PBM

Pre-approved e-prescription

Prospective ePA Integration Within the eRx Workflow - New Best Practice

- Leverages eligibility & formulary data to **notify providers of medication PA requirements before e-prescribing**
- Instead of forms, **specific PA questions are sent to the EHR**, based on patient, plan, and medication
- **Pre-population** of required patient information adds efficiency and accuracy to administrative tasks
- Real-time communications with PBM to complete **prior authorization review before sending e-prescription**
- **Preapproved e-prescriptions** routed to pharmacy and won't be subject to PA block

NCPDP ePA Message Types

PA Initiation Request	Prescriber → PBM/Payer
PA Initiation Response	PBM/Payer → Prescriber
PA Request	Prescriber → PBM/Payer
PA Response	PBM/Payer → Prescriber
PA Appeal Request	Prescriber → PBM/Payer
PA Appeal Response	PBM/Payer → Prescriber
PA Cancel Request	Prescriber → PBM/Payer
PA Cancel Response	PBM/Payer → Prescriber

***Note**: All requests and responses are real-time bi-directional messages based on the NCPDP SCRIPT Standard*

ePA Implementations Vary

Capabilities	Prescriber Portals	PBM/Payer Portals	Fully Integrated into EHR
Integrated into physician EHR workflow			✓
Prospective workflow capabilities			✓
Retrospective workflow capability	✓	✓	✓
Integrated into the e-prescribing workflow			✓
Automatically pull patient medical history from EHR into PA question sets			✓
Broad connections to several PBMs/Payers	✓		✓
Bi-directional network of PBM/Payers and Providers/EHRs	✓	✓	✓

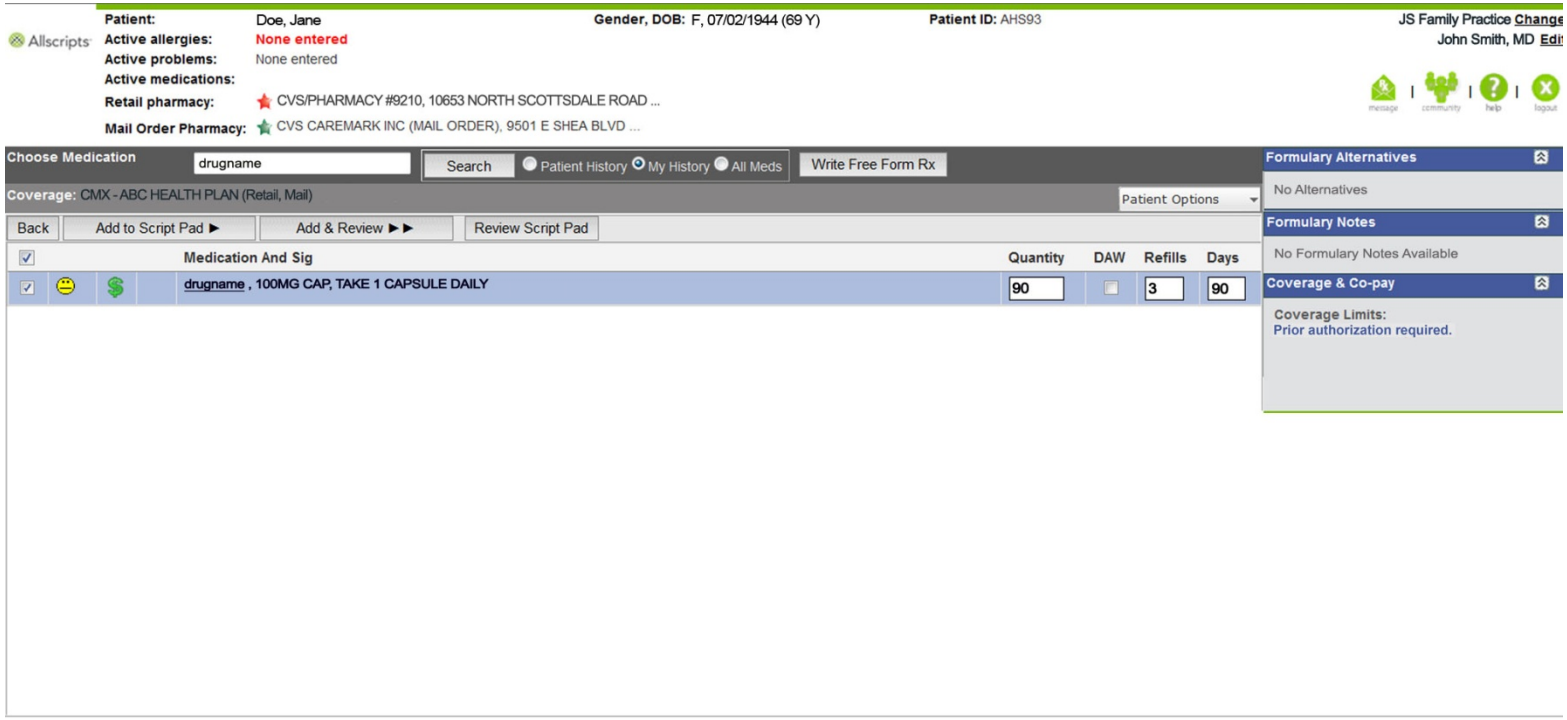
E-Prescribing Using Electronic Prior Authorization:

Prescriber Perspective

EMR Example

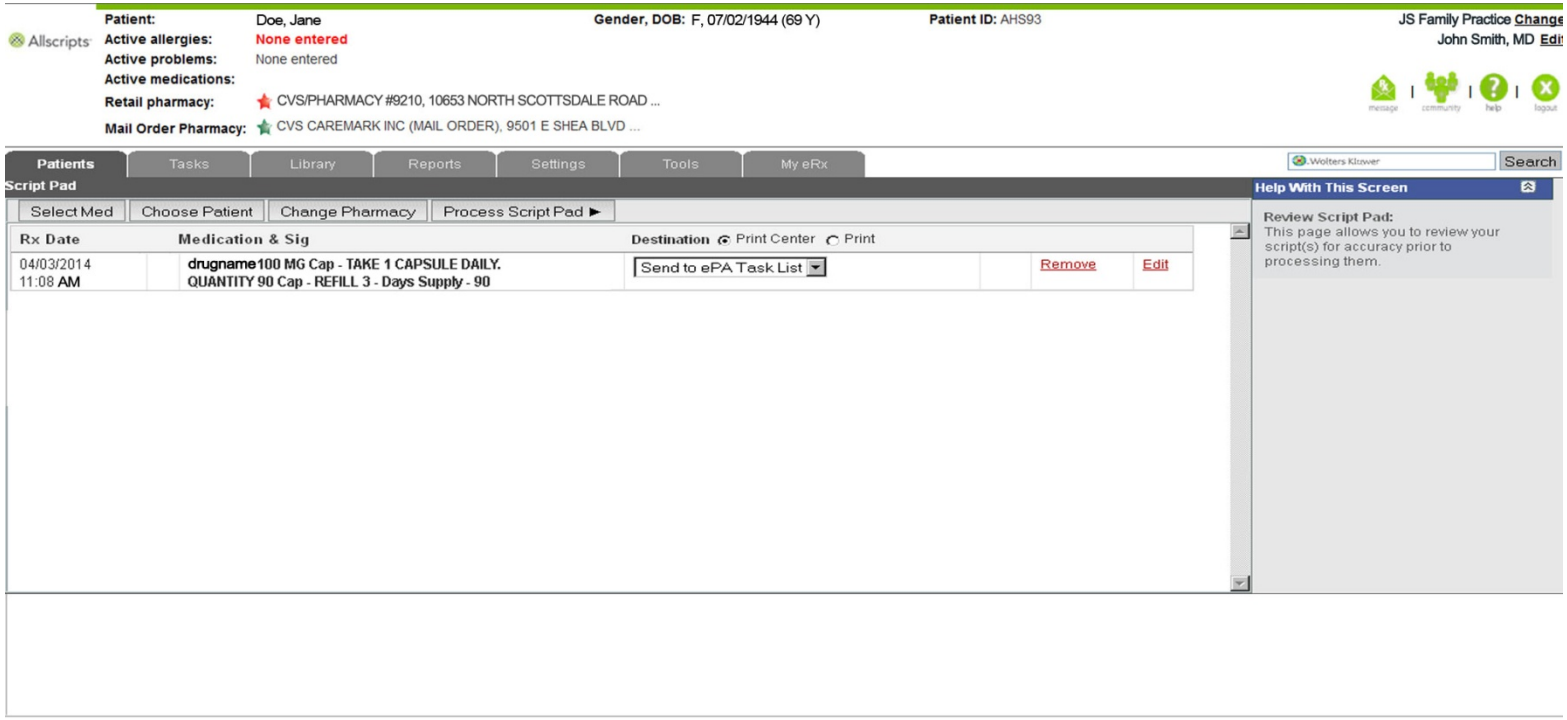
Anita Murcko, MD, FACP

1. Prescriber initiates new prescription within EMR workflow and is notified that a PA is required

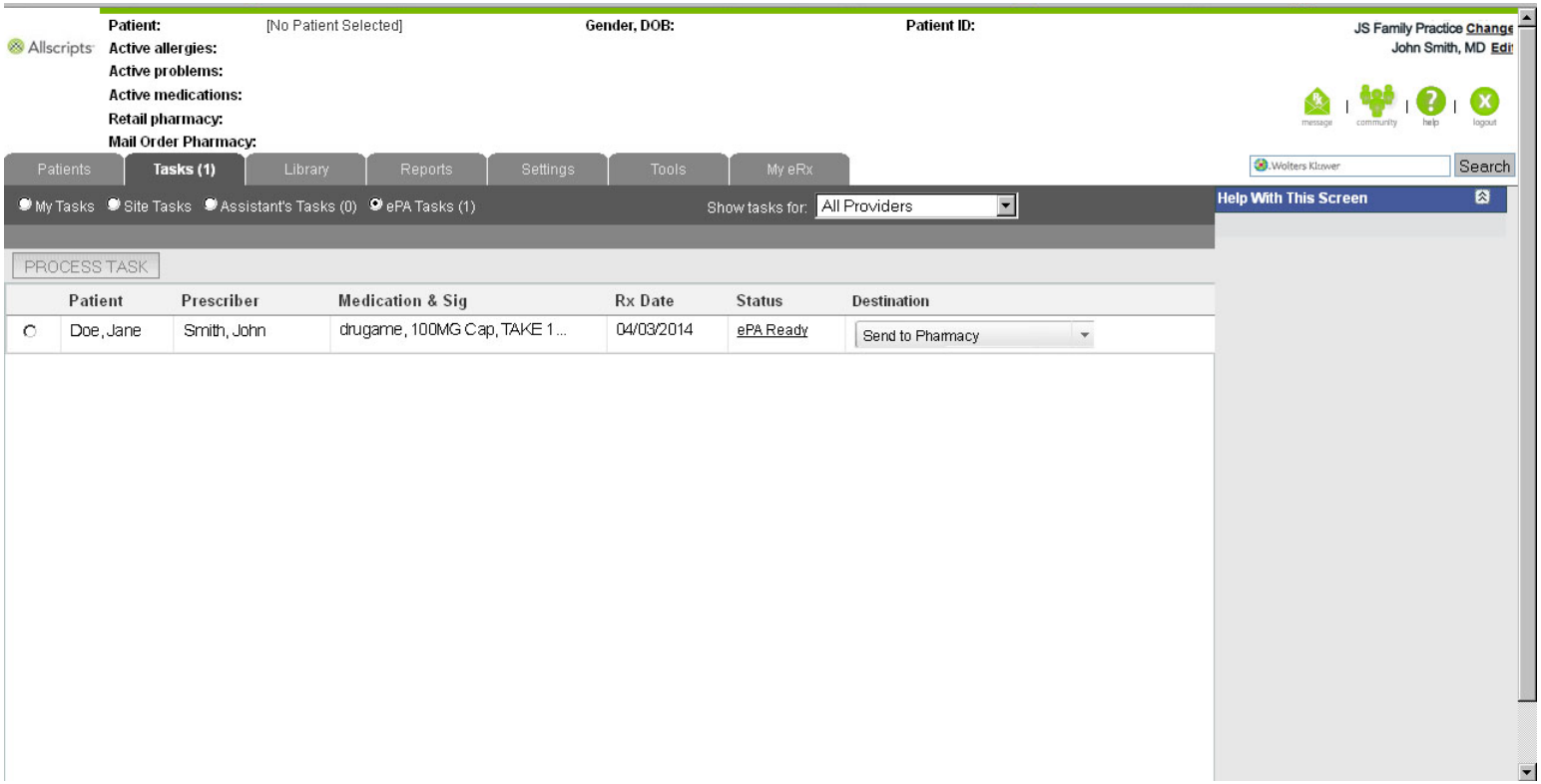


Prospective PA request complements e-prescribing workflow

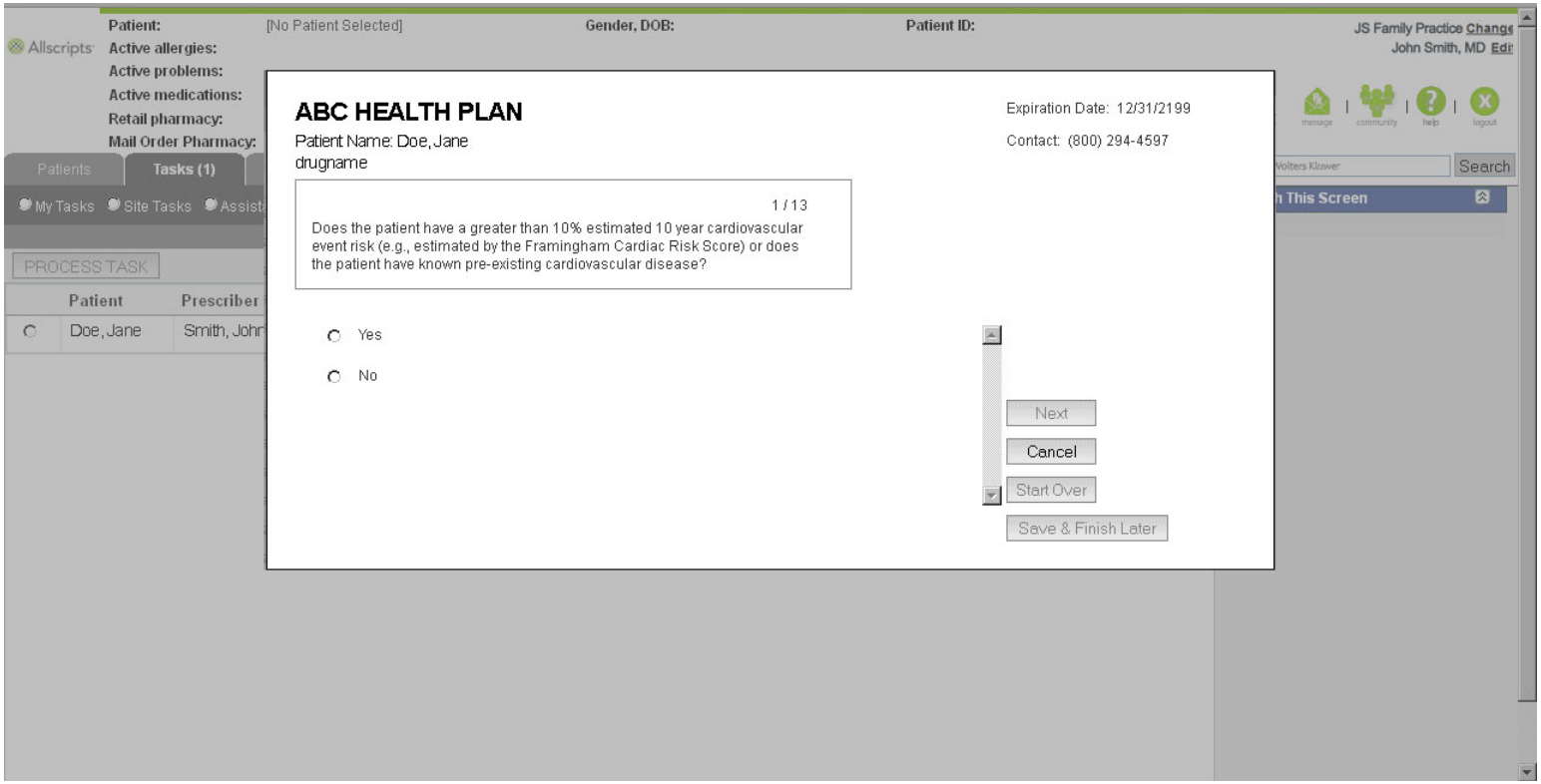
2. Prescriber finalizes prescription and initiates ePA task



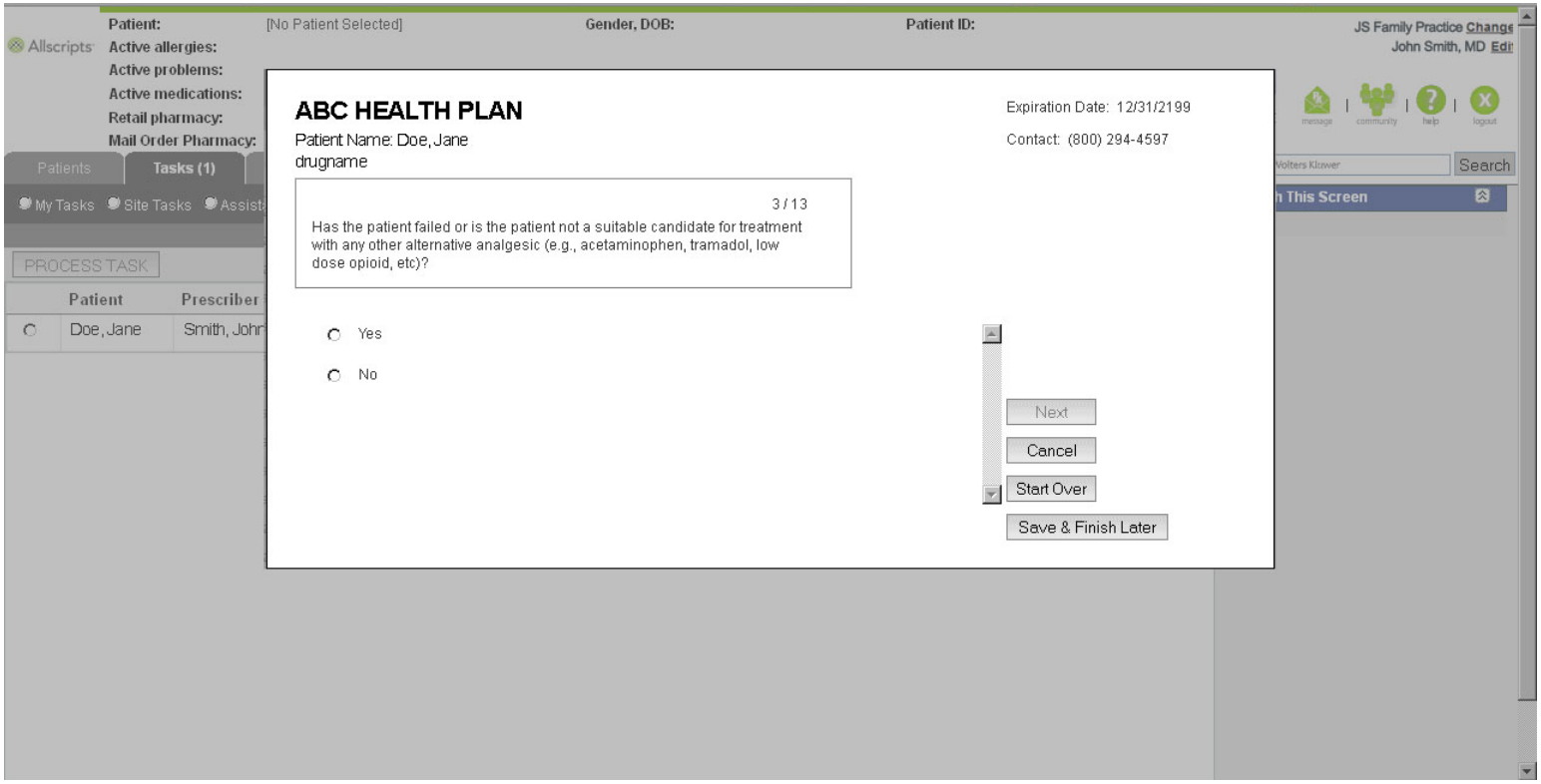
3. PBM/Payer returns PA question sets within the EMR



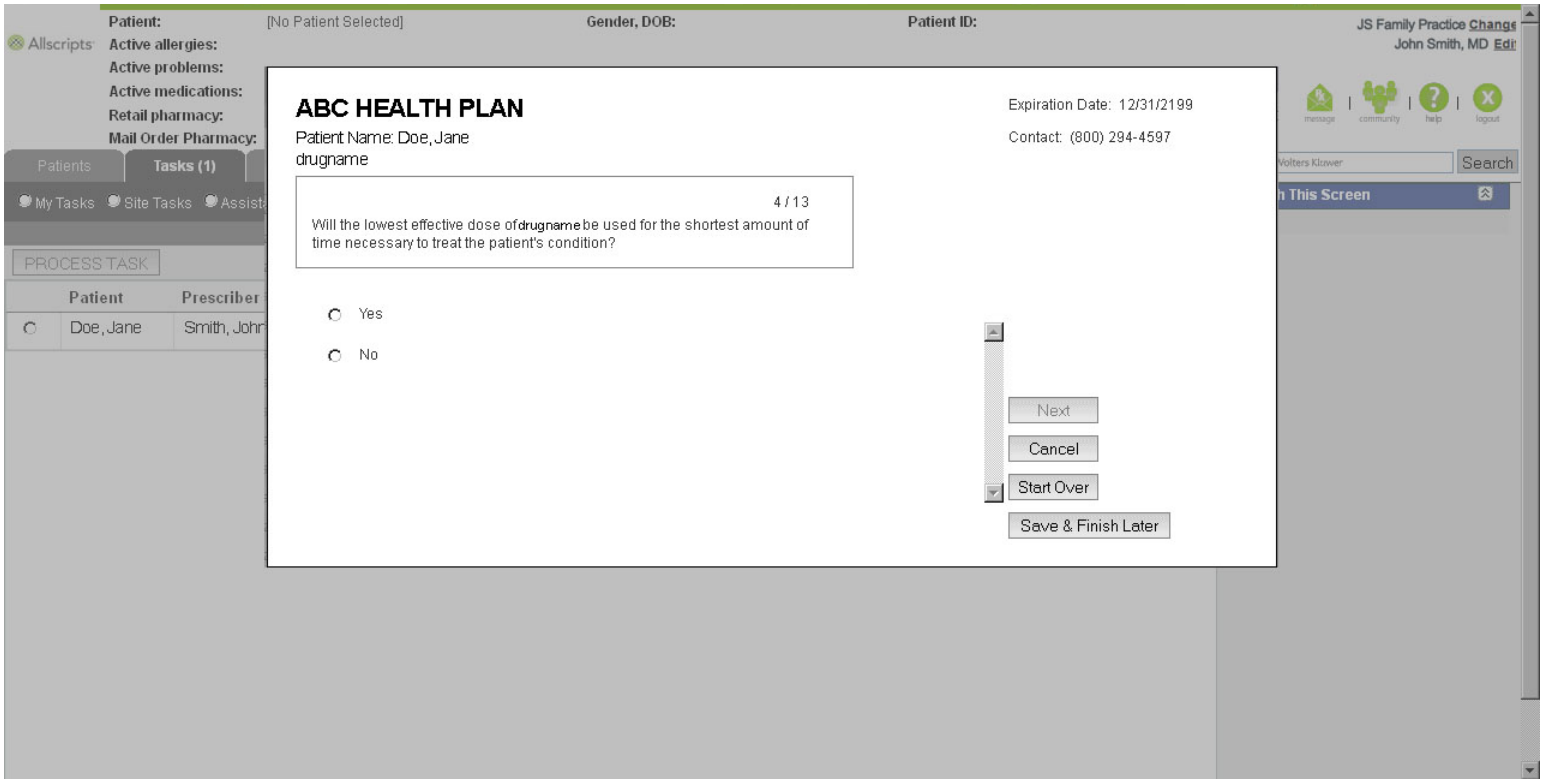
4. PA questions presented in logical, sequential flow



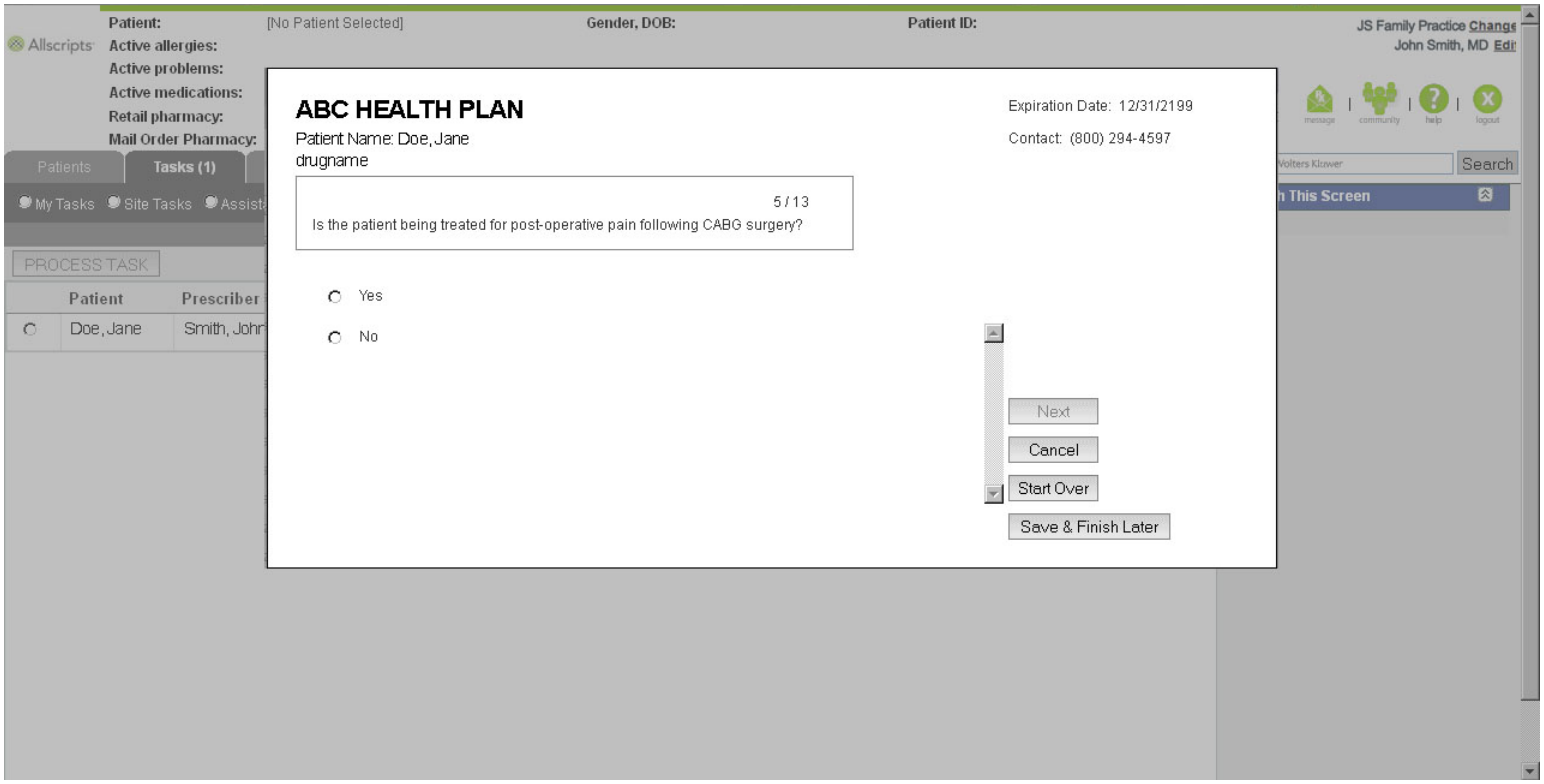
5. Prescriber answers questions following the criteria path



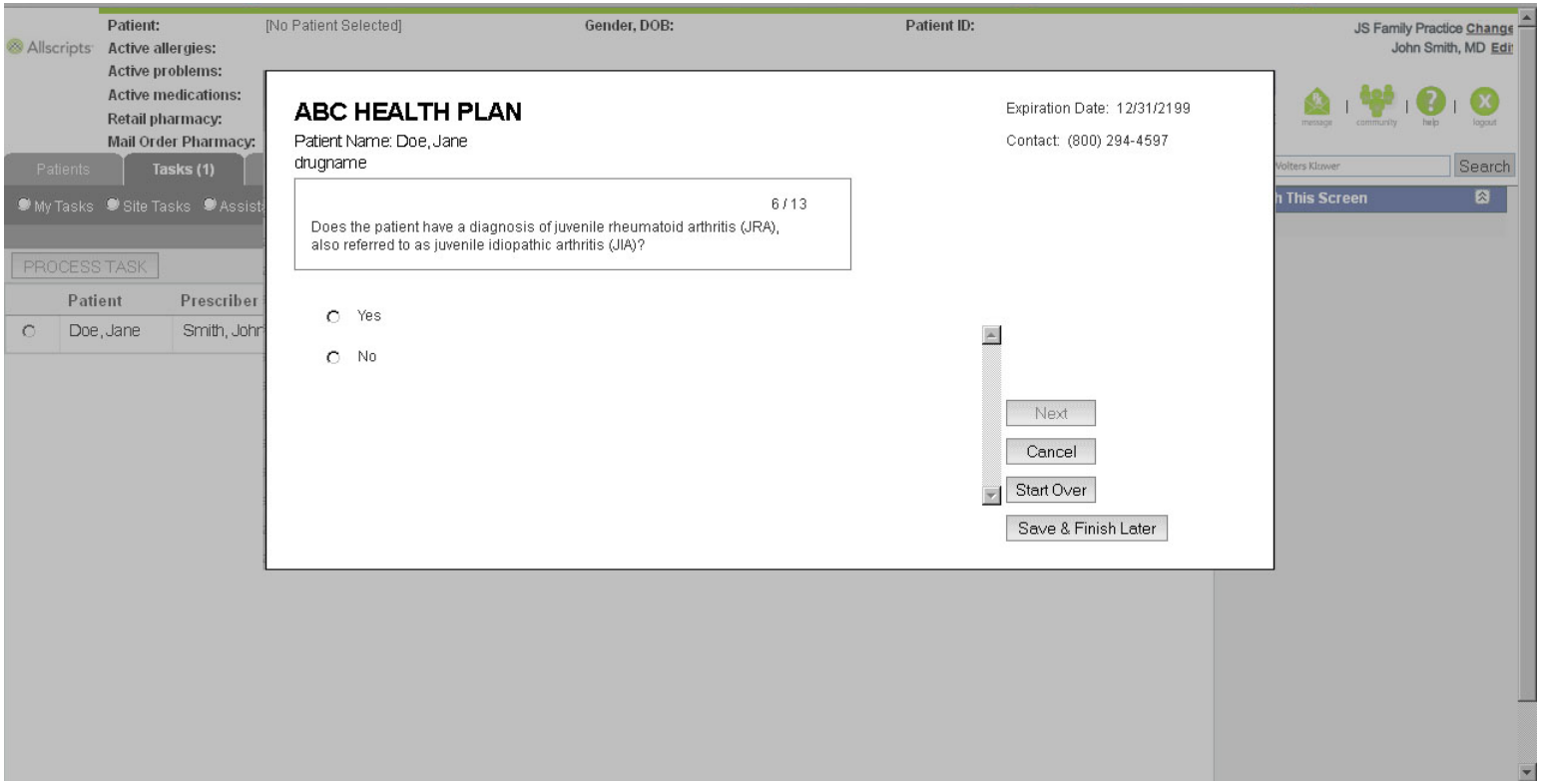
6. Additional questions reviewed and completed with ease



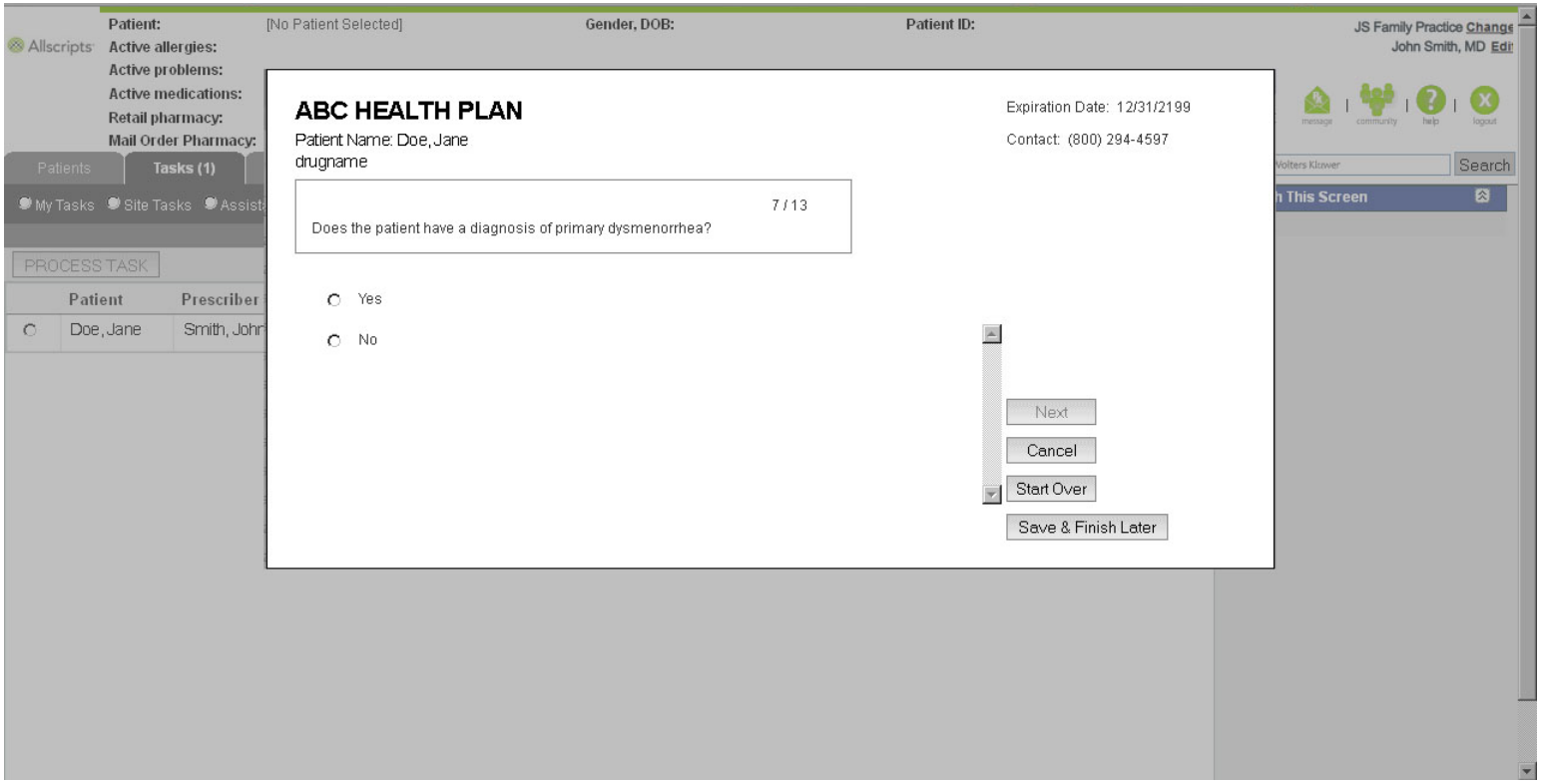
7. Additional questions…reviewed and completed



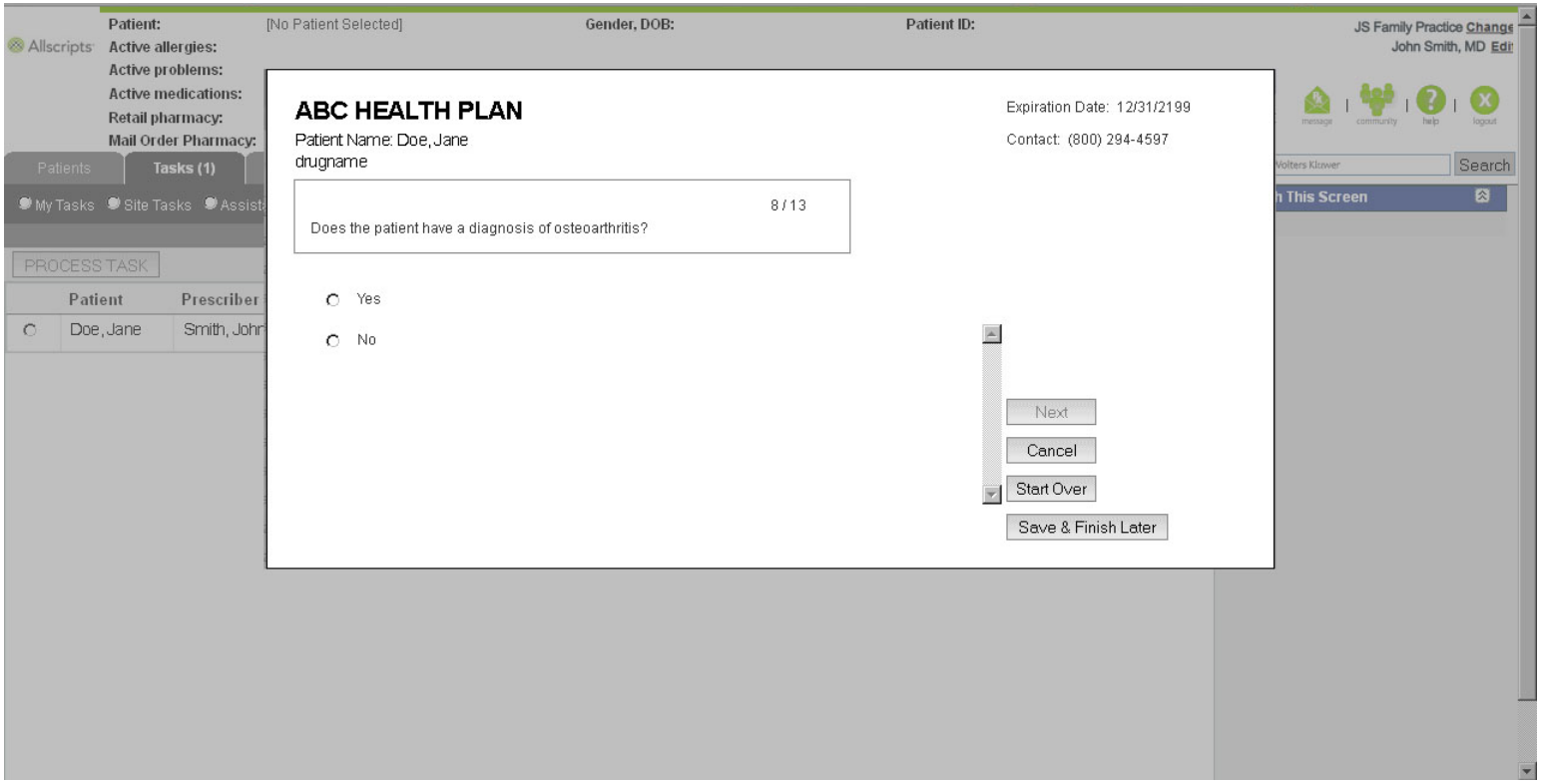
8. Additional questions…reviewed and completed



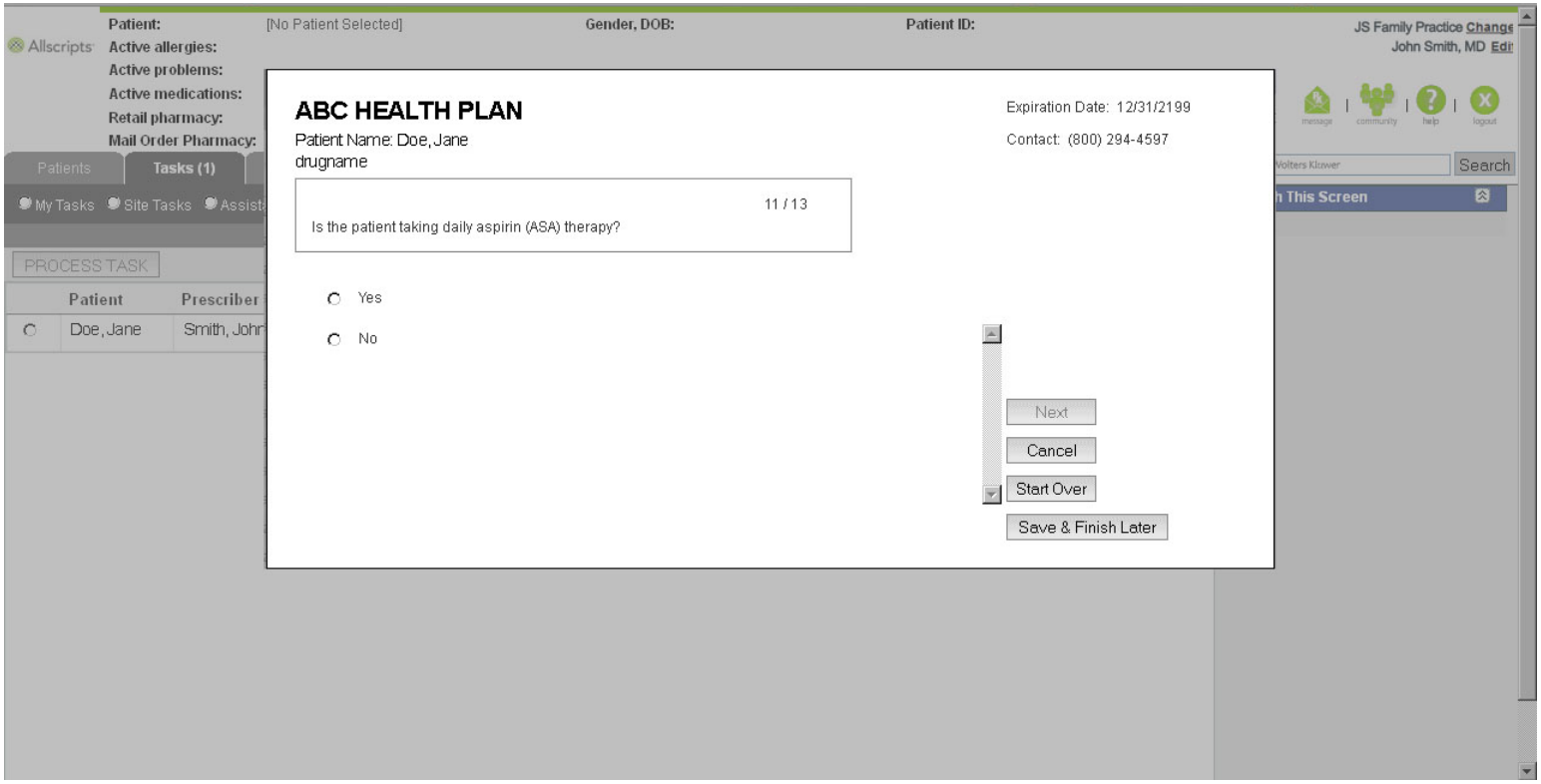
9. Additional questions…reviewed and completed



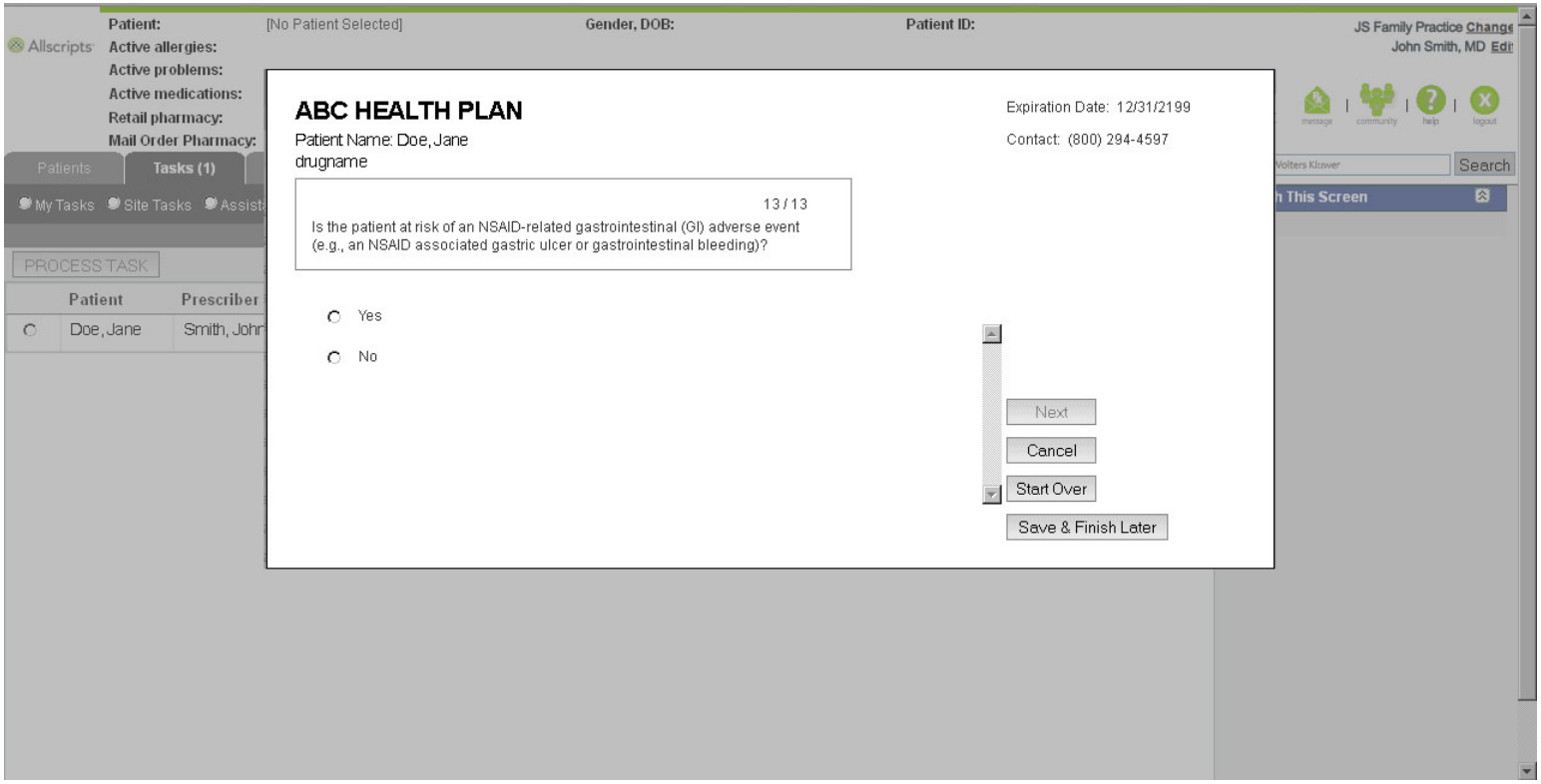
10. Additional questions…reviewed and completed



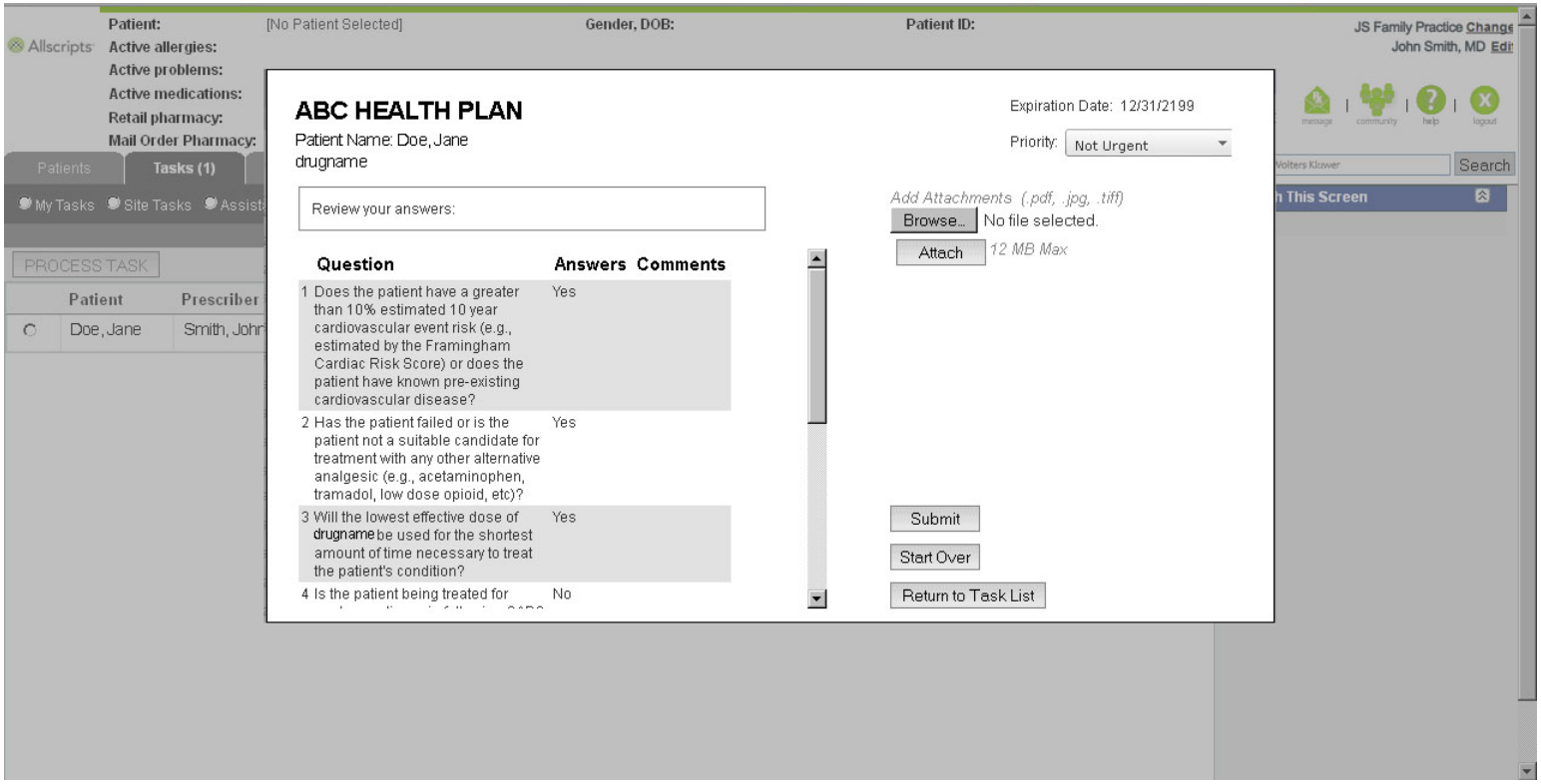
11. Additional questions…reviewed and completed



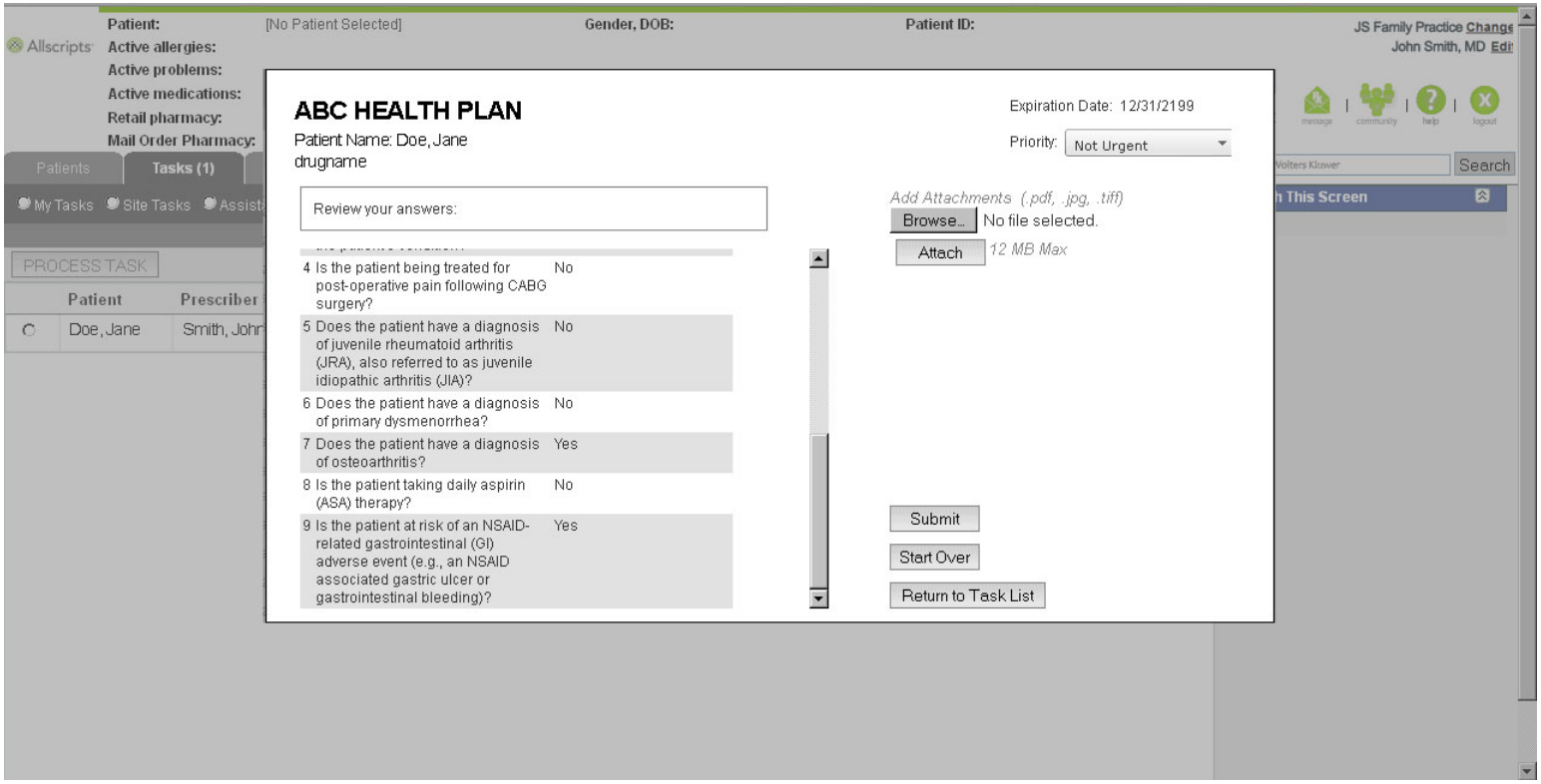
12. Additional questions…reviewed and completed



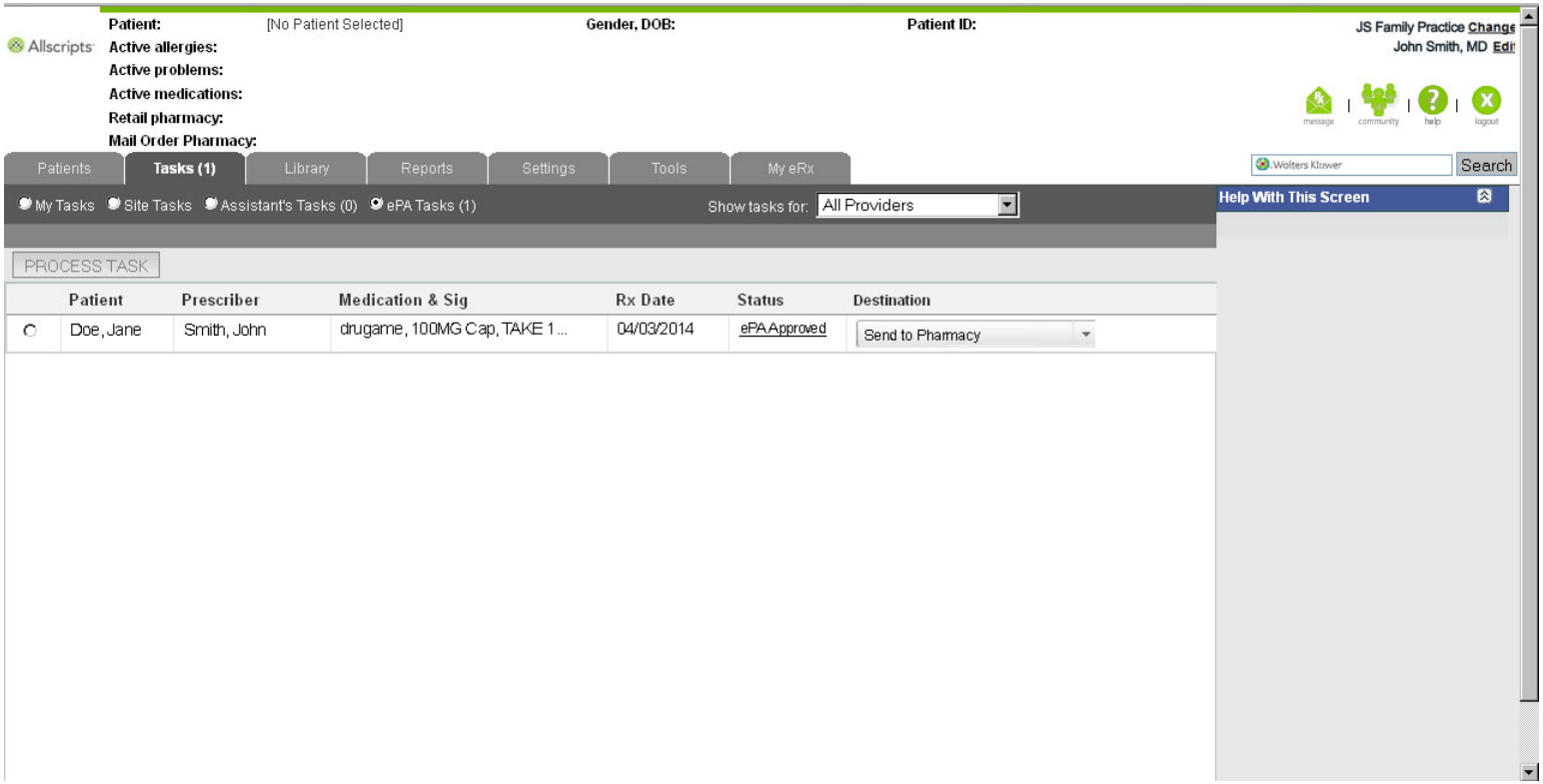
13. Can review answers and attach supporting documents



14. After final review, prescriber submits



15. ePA approved by PBM/Payer and prescription ready to send to the pharmacy

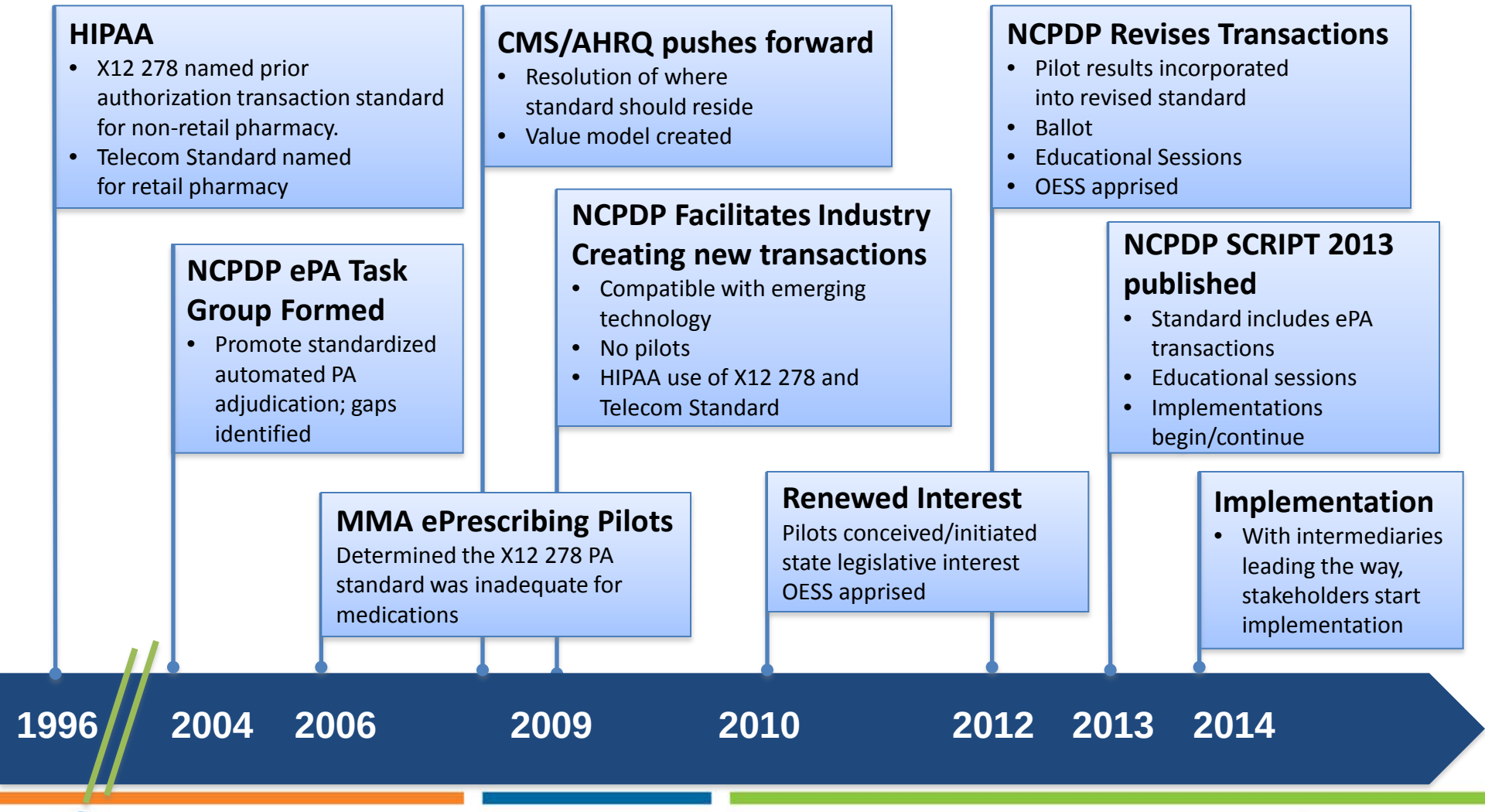


Why Now:

The Drivers of Standardized Electronic Prior Authorization (ePA)

Tony Schueth, MS

Electronic Prior Authorization (ePA) History



Stakeholders Involved in the New Electronic Prior Authorization Standard

Standards

NCPDP

- 2013 SCRIPT Standard adds ePA transactions, after 18 years work.
- Task group continues to evaluate SCRIPT Standard improvements

DSMO - Designated Standard Maintenance Organization

- Recommended NCPDP SCRIPT Standard transactions be adopted nationally for ePA

Regulatory

CMS – Centers for Medicare & Medicaid Services

OESS - Office of E-Health Standards & Services

AHRQ – Agency for Healthcare Research & Quality

NCVHS – National Committee on Vital and Health Statistics

State Legislatures

Industry

PBMs/Payers & EHRs

- Many are adopting the NCPDP SCRIPT Standard and will begin transacting by summer 2014

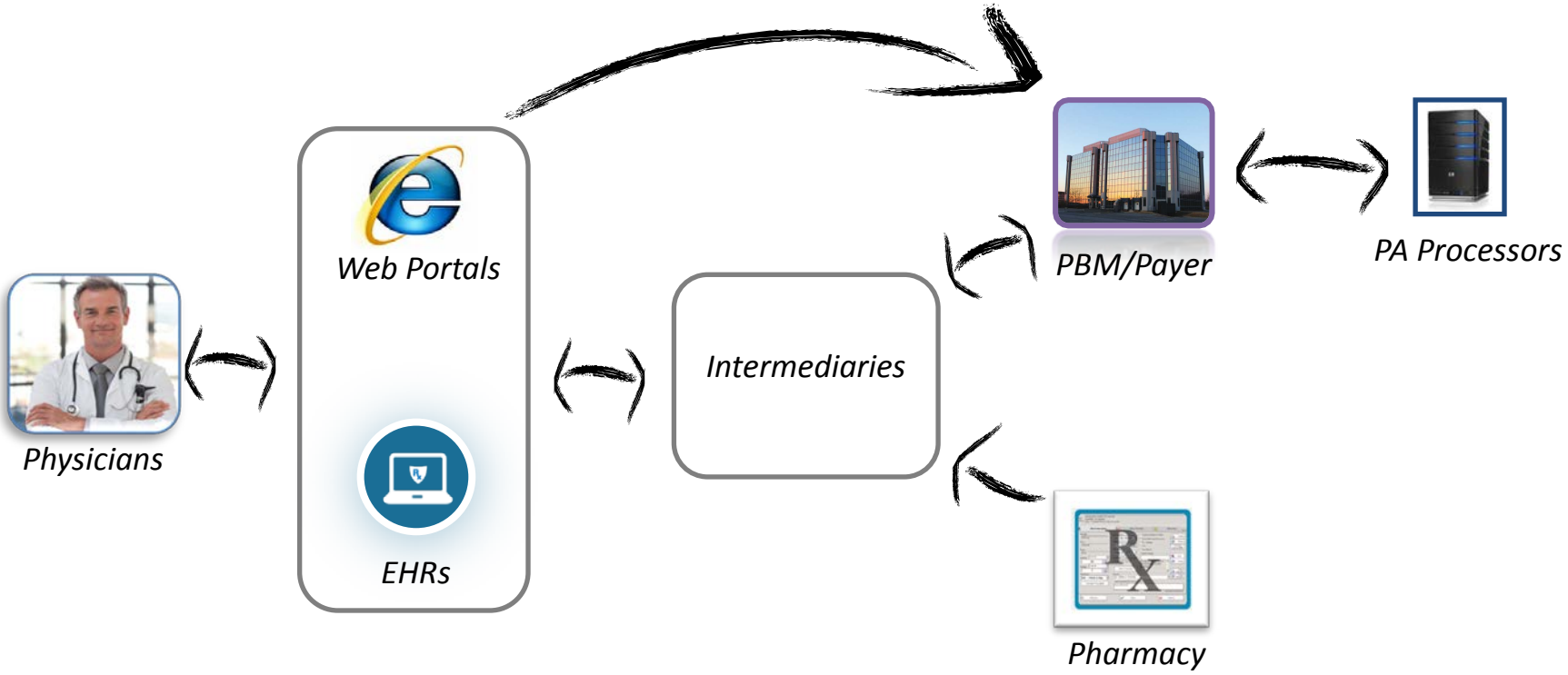
ePA Pilot

- Allscripts, Caremark, CoverMyMeds, Navinet and Surescripts collaborated on a successful 2 year ePA pilot

HIT Networks

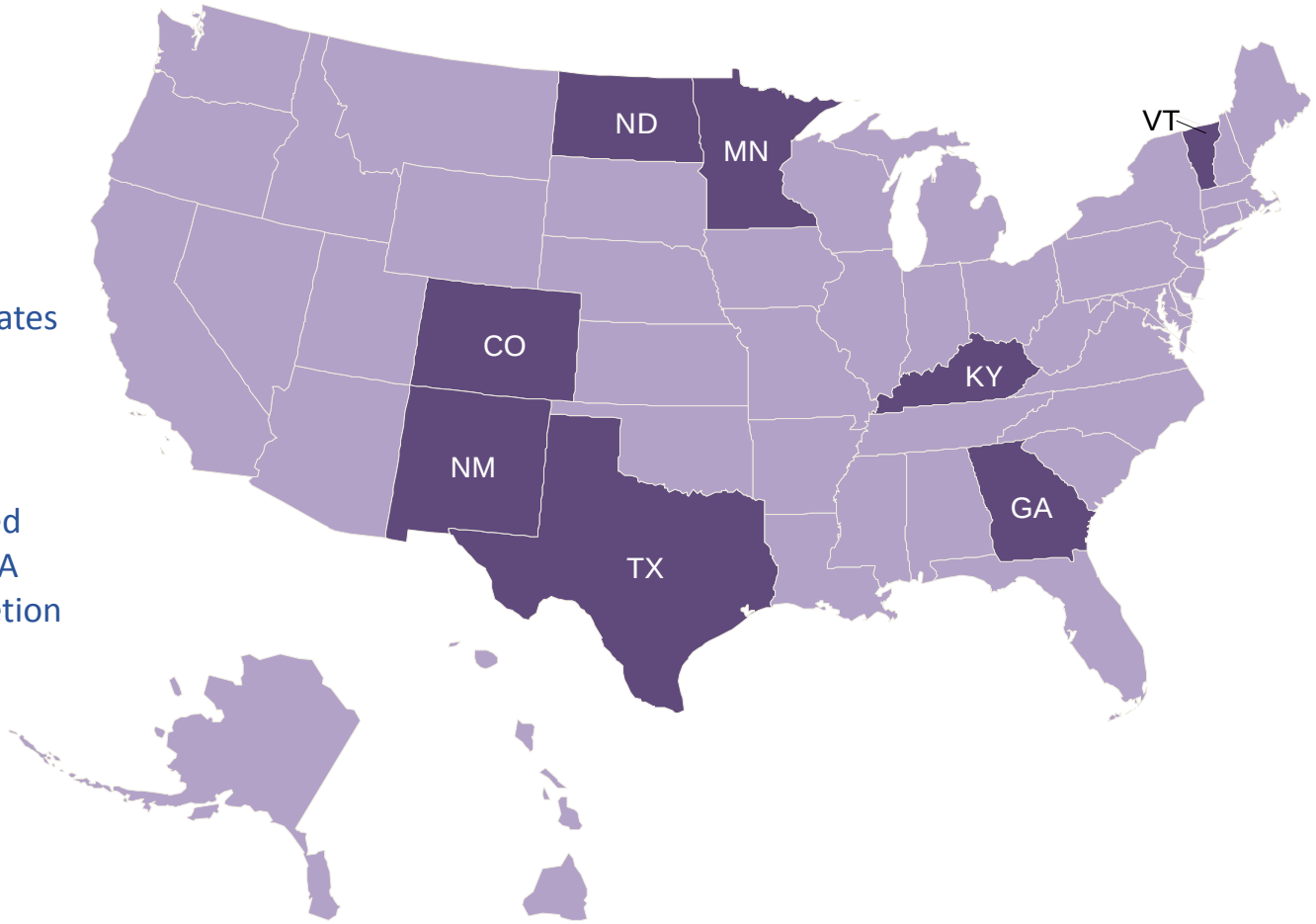
https://www.ncpdp.org/NCPDP/media/pdf/NCPDP-NCVHS-20140219-Panel4.pdf

Current Landscape



States Requiring ePA for Medications

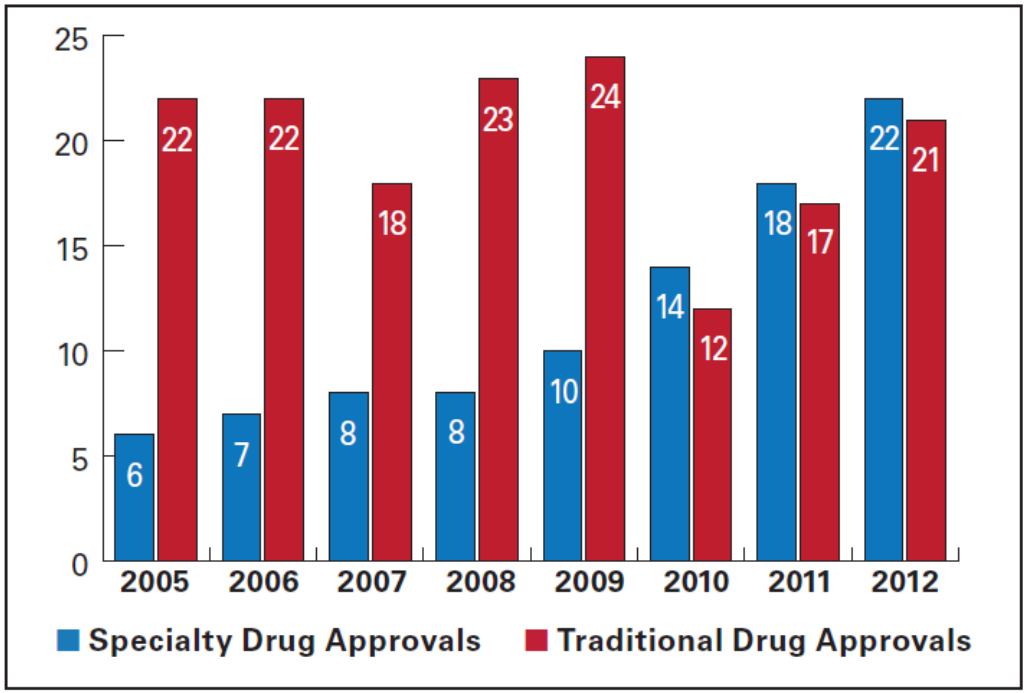
- Eight states have mandates for some type of ePA
- Other states require uniform PA forms
- Numerous states drafted study laws, planning ePA mandates upon completion



Drug Pipeline: Specialty medications are a growing segment of the nation's drug spend

- More than 50% of the drugs in the pipeline are considered specialty medications, many of which require PA
- Recent studies project that specialty drug spending will increase 67% by 2015 and nearly half of all prescription drug sales will be for specialty medications by 2016

FDA Traditional & Specialty Drug Approvals, 2005-2012

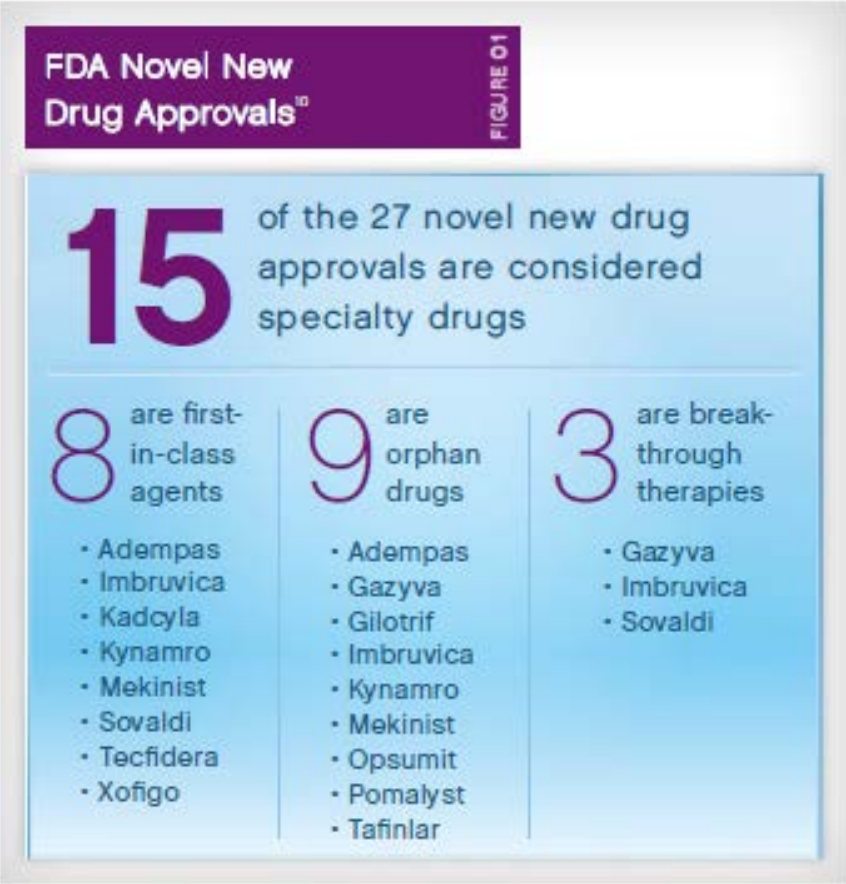


Source: Medical Cost Trend: Behind the Numbers 2014,"PricewaterhouseCoopers Health Research Institute. June 2013. Figure 6.

Specialty Medications Continue to Grow

Drivers include:

- Growing elderly population
- Growing population of patients with chronic conditions



Source: Catamaran Drug Trend Report, 2013

Where is ePA Going?

Better identification of drugs that require PA

- Enhance input into F&B file
- Is it time for a pre-adjudication transaction?

Effort to standardize the pharmacy claims rejection process

- Need to keep pharmacy in the loop

Improved process for long-term care

Consideration of pharmacy- or hub-initiated standardized process

What You Can Do To Accelerate ePA Adoption

- Spread awareness about new SCRIPT Standard for electronic prior authorization and its value
- Learn more about ePA
  - www.NCPDP.org
- Prioritize the ePA SCRIPT Standard within your organization or the EHR, PBM, health plans or pharmacy information networks over which you might have an influence
- Educate your legislators about this ePA standard and improved care opportunities

In Conclusion

The time is right for standardized electronic prior authorization

- Standards have been developed and are being implemented
- States have mandated the process
- The drug pipeline is dominated by specialty

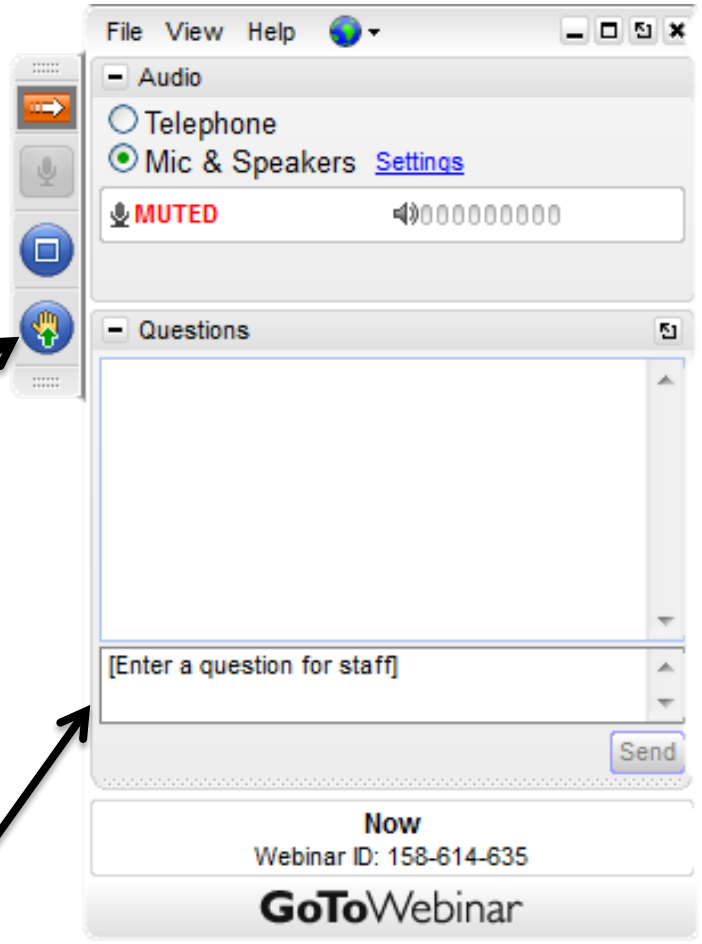
Innovative PBMs and Health Plans have built workflow automation solutions

- Transactions standards and intermediaries facilitate interoperability with EHRs, whose role is optimization of the physician workflow

While the "train has left the station," the industry is at the early stages of ePA evolution

- Some key stakeholders have yet to provide solutions
- Gaps need to be filled and key stakeholder groups need to be factored into standards

Questions and Answers



Raise your hand to ask verbally

Or, type your question in the 'Questions' area **(preferred)**

Slide & Recording Information

A link to the recording and option to download the slides will be emailed to all registrants within 1 week and will also be available on the AMCP Website.

To contact AMCP Please email:

tsega@amcp.org

To contact NCPDP Please email:

wfeldbauer@ncpdp.org