

Extended Summit:

A Deep Dive into the Medical & Pharmacy Benefit to Ensure Sustainable Patient Access to Treatment

- I. Differences between the Medical and Pharmacy Benefit
- II. Pharmacy Benefit eBV/ePA Deep Dive
- III. Medical Benefit eBV/ePA Deep Dive
- IV. Summary Discussion on Next Steps and Potential Solutions



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Introduction and Drivers

Moderator

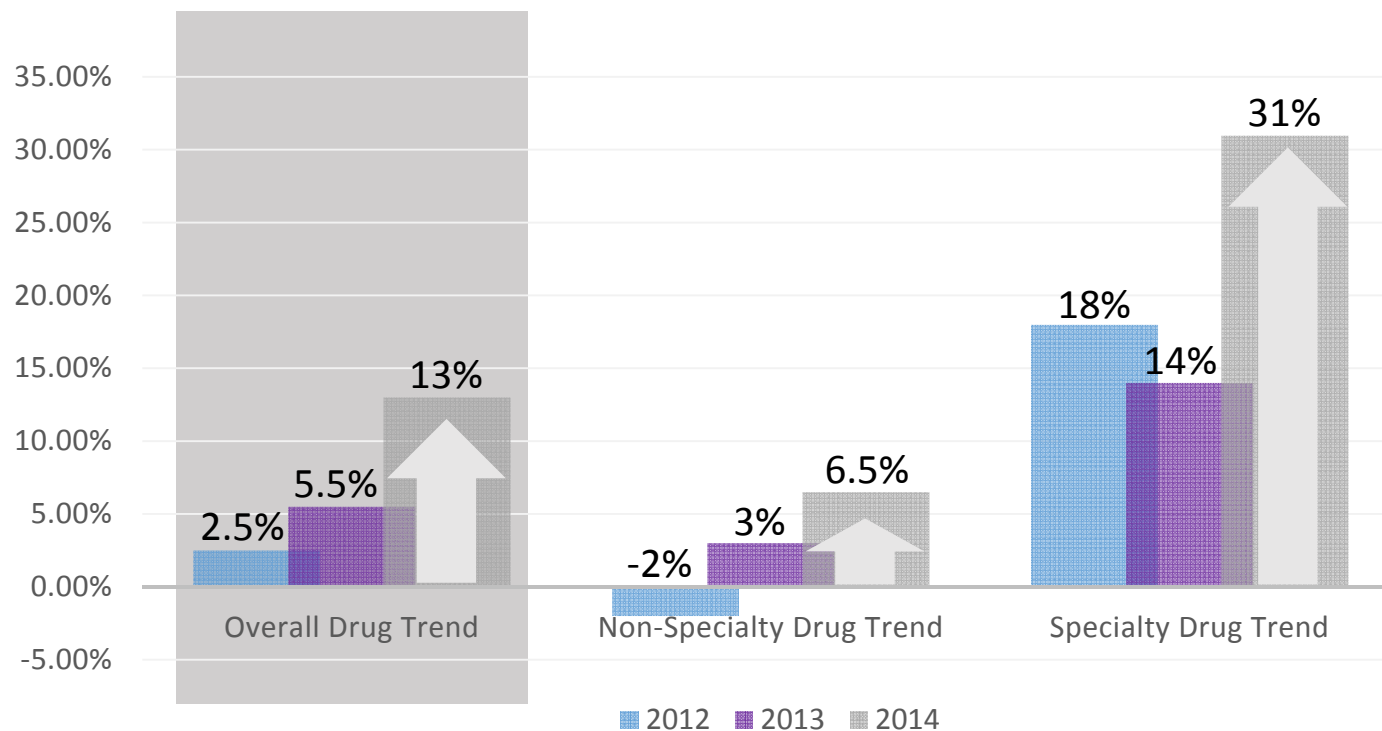
Tony Schueth

CEO and Managing Partner

Point-of-Care Partners LLC

Specialty Drug Trend and Spending Increase

In 2014, drug trend was up 13%, driven by a 31% increase in specialty drug spend.



Source: Express Scripts Drug Trend Report, 2014

What is a Specialty Drug?

High cost
(Over \$600/mo.)

Requires focused
clinical management

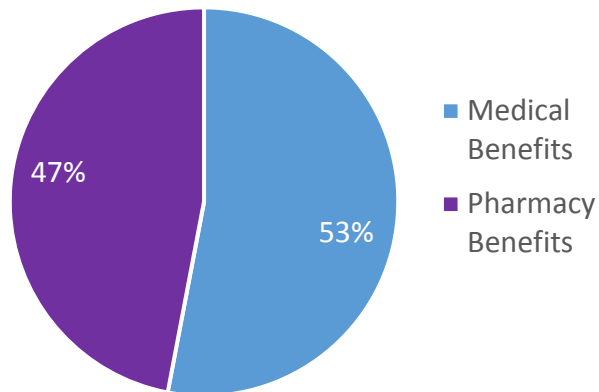
Large molecule
biotech drugs

Chronic, debilitating, and no
other treatments

Require special handling;
may require special order

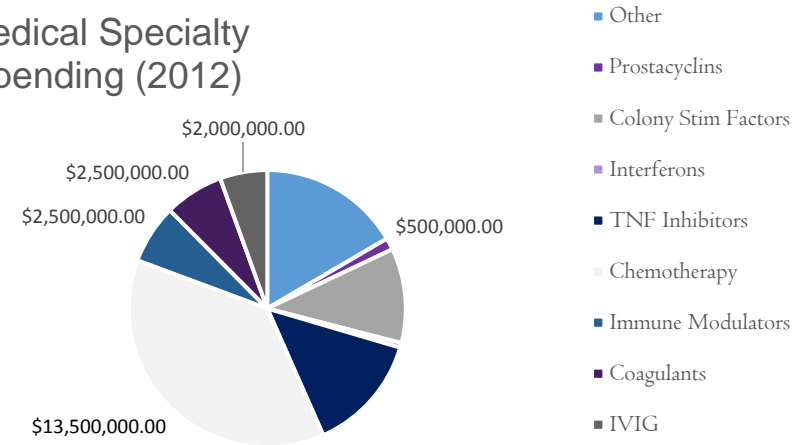
Drug Coverage and Spending Medical vs. Rx

Drugs are Covered
Under the:

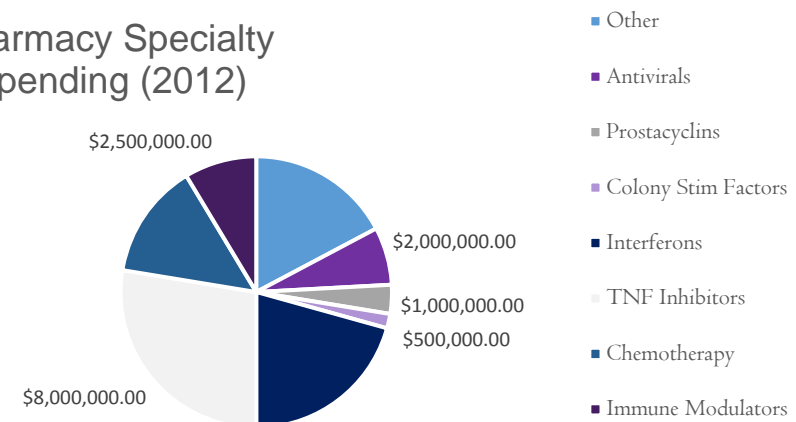


Source: Milliman

Medical Specialty
Spending (2012)



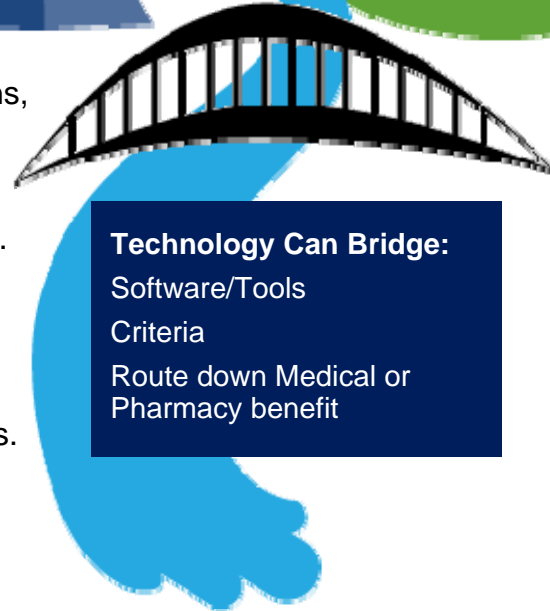
Pharmacy Specialty
Spending (2012)



The Differences Between Medical and Pharmacy Benefits

Medical Benefit

Administration	Intravenous infusions, injections.
Dispensing channel	Physician, infusion center, home health.
Billing term	"Buy and Bill"
Claims submission	Batch or real-time using HCPCS codes.
Utilization management	PA /medical review process
Member cost-share	Copayment for office visit, coinsurance for drug product.



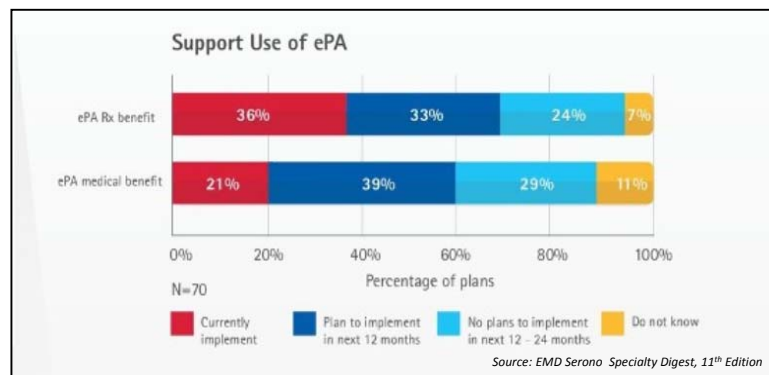
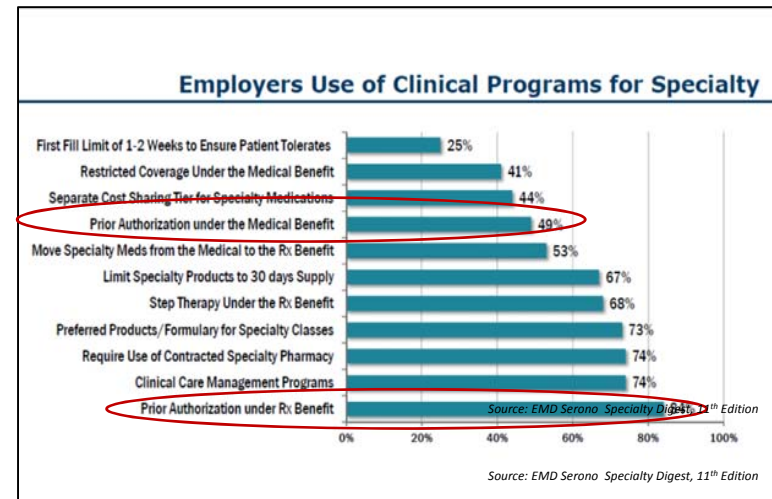
Technology Can Bridge:
Software/Tools
Criteria
Route down Medical or Pharmacy benefit

Pharmacy Benefit

Administration	Self-administered injections.
Dispensing channel	Specialty pharmacy dispenses drug and delivers to patient.
Billing term	"Bill and Dispense"
Claims submission	Online using NDC.
Utilization management	PA, step therapies, concurrent DUR, formularies.
Member cost-share	Copayment or coinsurance for drug.

Electronic Prior Authorization (ePA)

- Prior Authorization is a utilization management (UM) tool increasingly used to manage specialty drug spend and trend:
 - 84% for the Rx benefit
 - 49% for the medical benefit



- ePA use is on the up-swing, as well:
 - 36% currently use for the Rx benefit; 33% plan to in the next 12 months
 - 21% currently use for the medical benefit; 39% plan to in the next 12 months

A look at the road so far

- 1996** HIPAA Passes, names 278 as standard for ePA
- 2003** MMA Passes
- 2004** Multi-SDO Task Group Formed
- 2005** NCVHS Hearings
- 2006** MMA ePrescribing Pilots involving ePA
- 2007** Report to Congress recommending a new standard
- 2008** Expert Panel Formed/Roadmap Created
- 2009** Minnesota Law Passes
New ePA Standard Created using SCRIPT
- 2011** CVS Caremark Pilot
- 2013** New Standard Published



ePA Standards/Types

SDO	NCPDP		X12	
Standard	SCRIPT		278	
Types of PA	Drugs covered under the pharmacy benefit	Drugs covered under the medical benefit	Medical Devices	Medical Procedures



eBV/ePA – Pharmacy & Medical Solutions Perspective

Sri Swarna
CEO
Agadia

Agenda

- Real-time ePA
- ePA flow
- Medical ePA – Current State
- Medical ePA – Challenges

Pharmacy Benefit eBV/ePA

Current PA State

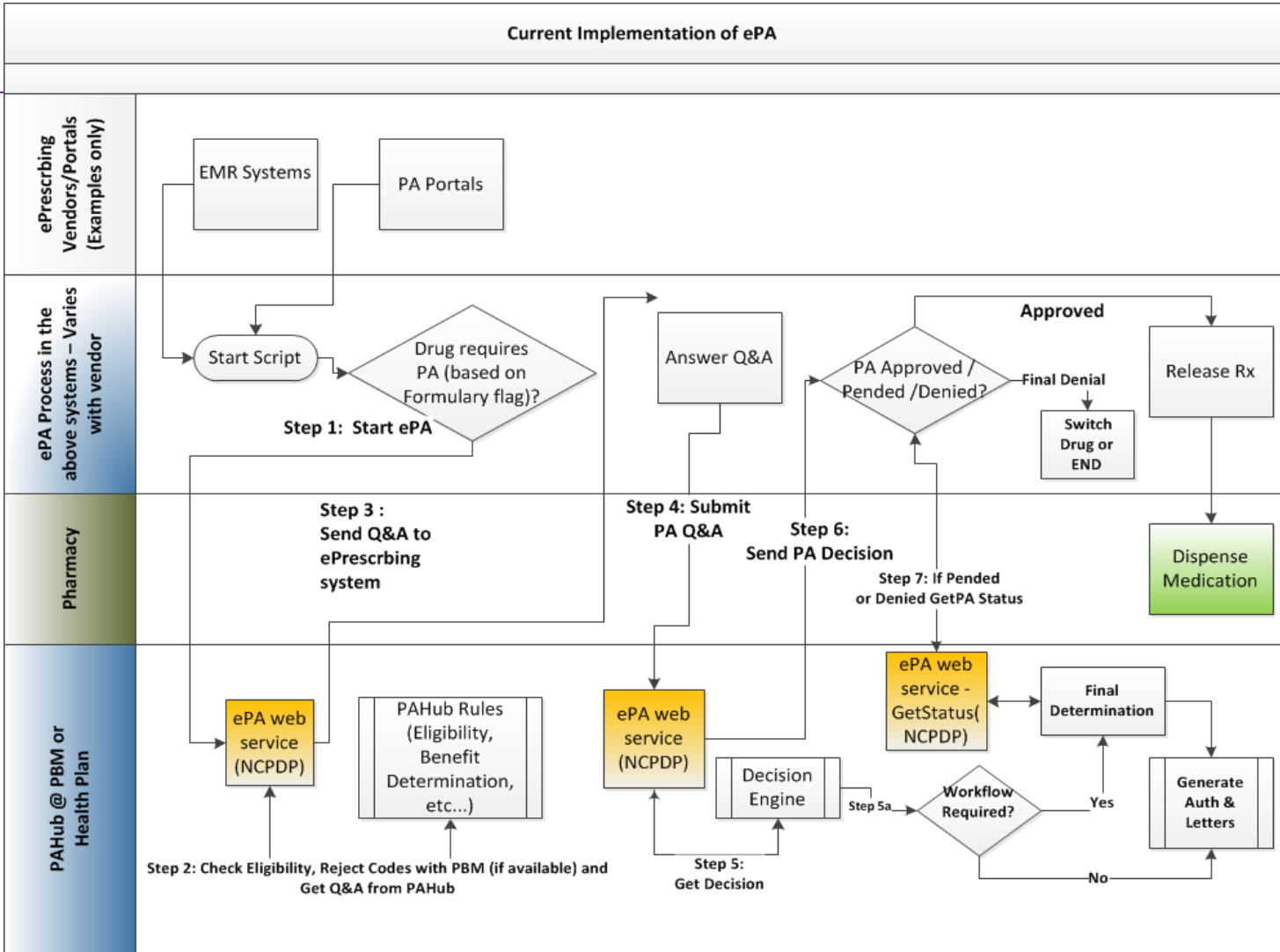
- Phone & Fax channels still contribute to majority of the PA volume
- Plan specific portals contribute to 5% to 10% of volume
- Steady increase in ePA volume over the last several months

Are we at a real-time spot?

Getting there...

- EMR systems, PA Portals, Intermediaries are implementing the NCPDP ePA Standard and transmitting ePAs to Plans and PBMs that support ePA.
- Benefit Verification from a prior authorization perspective is available in real-time from certain PBMs
- Not all health plans and PBMs have completely automated the prior authorization process
- Regulatory processes

Typical ePA flow – eBV/ePA (Pharmacy)



Medical benefit eBV/ePA Deep Dive

Product Specific eBV

- Currently a manual process
- Managed via spreadsheets
- Systems are evolving to enable verification of a prior authorization requirement for drugs on the medical side

How is PA handled?

- Primarily via phone and fax with the added complexity of HCPCS/CPT codes
- Physician/Provider Portals

Medical ePA Challenges

Does the drug need PA under the Medical Benefit?

- Current formulary files include PA information for drugs covered under pharmacy benefit only
- Information around drugs that need PA under the medical benefit is not structured and is not accessible systematically
- The infamous J3490

Is the Patient Eligible?

- Rx ePrescribing network does not have access to patients with “Medical only” coverage
- Disparate eligibility systems
- Is the patient excluded from a PA requirement for the given drug

Medical ePA Challenges...

Where is the drug being administered?

- Certain drugs do not require PA when administered at certain sites of care

Does the Prescriber/Provider have exemptions?

- “Preferred” providers do not need a PA
 - Examples: Gold-card physicians, ACOs, etc...

Are the regulatory requirements different?

- Turn-around times
- Process flow

Medical ePA Challenges...

Messaging Format

- NCPDP ePA
- X12
- A new Standard???

How will it get routed to the Plan/PBM?

- Existing ePrescribing networks
- Medical Claims processing networks



The Payor's Role

Daniel Brouillet,
Senior Director, Prior Authorization Strategies
Express Scripts

Payor

- Medical utilization management continues to be a focus as specialty costs continue to increase
- Medical drug spend as a % of total medical spend is low
- Payor's need a strategy to address the spend
 - Appropriately addressing medical drug spend involves claims management as much as it involves utilization management

What's Going On In the Medical Benefit

- Medical Benefit more fragmented in terms of utilization management density
- Medical benefit is not real time
 - Utilization management policies need to be more thorough to account for edits typically found in the pharmacy adjudication system
- NDC vs HCPCS management & expertise
- There are infrastructure gaps with payers on multiple UM systems and multiple claims systems



How we've handled medical drug PA at Express Scripts

- Fully integrated utilization management and claims solution available to medical payers
- Real time, electronic solution for prescribers
- Driving significant PMPY savings on UM
 - \$12 PMPY reported at AMCP last April

Not all payors have the resources
to solve Medical UM





Technology Tools for Improving Patient Medication Access

Jacques Fu, CISM
Chief Technology Officer
AssistRx

Specialty Medications: Technology Fundamentals

Full electronic solution to determine scope of coverage

- Covered under Pharmacy or Medical Benefit?
- If covered under both, which benefit is the most optimal for the patient?

Immediate access to distribution options based on benefit type

- Medical – AOB vs. Buy & Bill.
- Pharmacy – retail offering or SP network.

Proactive access to data services for all stakeholders

Pharmacy vs. Medical Benefits

Pharmacy benefit:

- Typically covers self-administered oral, injectable and inhaled drugs

Medical benefit:

- Typically covers drugs that are injected or infused by a health care professional in the doctor's office, hospital out-patient center, free-standing infusion center/clinic or by a mobile infusion therapy provider at home

Thank you!



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