Prior Authorization: The Physician Perspective

NCVHS Subcommittee on Standards Review Committee

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AMA Policy on Prior Authorization (PA)

- Reduce the overall use of PA and limit its use to outliers
- When PA is used, the administrative burdens on physicians should be minimized through automation

PA: A Function Ripe for Automation

- Impact on patient care
  - 86% of physicians report that PA interrupts patient care[1]

- Burden on practices
  - *Time burden:* 1.0 physician hour/week; 13.1 nursing hours/week; 6.3 clerical hours/week[2]
  - *Cost burden:* $82,975 annually per physician on interactions with insurers[3]

- Cost to health plans
  - PA is largely a manual process and workflow for payers

1. MedChi. Prior Authorization Protocols: Impact on Patient Care in Maryland. July 20, 2011. 2. Casalino LP et al. *Health Aff* (Millwood). 2009;28:w533-w543. 3. Morra D et al. *Health Aff* (Millwood). 2011;30:1443-1450.

AMA–Federation 2010 Survey Results: Manual PA Process

- 83% of survey respondents request PA using faxes

- 63% use a paper form

- 35% direct through a payer Web site

- Only 14% use an electronic standard transaction either through their practice management system or EHR

Current State of Automation: Medical Services PA

- Consistent acknowledgment across stakeholders that ASC X12 278 is not widely used

- 2014 CAQH Index reports low industry adoption of electronic PA (ePA)[1]:

  - 64% health plans

  - 7% providers

  - 35% health plans and providers combined

  - Use of ASCX12 278 undoubtedly lower, as CAQH data include *web portals and interactive voice response systems*

1. *2014 CAQH Index™ Electronic Administrative Transaction Adoption and Savings Calendar Year 2013*. Available at: http://www.caqh.org/pdf/2014Index.pdf.

Barriers to PA Automation: Missing Links

- No requirement to include procedure-specific coverage restrictions (such as PA) in eligibility response

- No mandate for ASC X12 278 implementations other than Health Care Services Review Request and Response

- No ASC X12 278 data content requirements, such as requiring responses beyond "pending"

- No standard for electronic attachment to transmit supporting clinical data

- Failure of industry to analyze PA process holistically to ensure all necessary pieces in place to support automation

Other Barriers to ASC X12 278 Adoption

- Lack of end-to-end PA automation drives providers to manual processes (phone calls, fax, or portal)

- Internal health plan workflows require manual processes and limit real-time PA capabilities

- Limited vendor support for ASC X12 278, especially for implementations that integrate with provider EHRs

Recommendations: Additional Standard Mandates

- Mandate additional ASC X12 278 implementations
  - Health Care Services Review Inquiry and Response (ASC X12N005010X215)
  - Health Care Services Review Notification (ASC X12N005010X216)
- Mandate standard for electronic attachment

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Recommendations: Operating Rules

- ASC X12 271 Eligibility Response
  - Require provision of procedure-specific PA information
- ASC X12 278 Services Review Request and Response data content
  - Require 278 response to indicate if PA is not needed
  - Require 278 response to indicate PA approval or denial if no additional information is required for processing
  - Require 278 response to request additional information when needed for PA processing
  - Require 278 response with real answer vs. "pended" or "contact payer"

Opportunity: Win for Entire Industry

- Tremendous opportunity for all stakeholders to pull together in collaborative effort to address X12 278 adoption

- No blame, no finger-pointing: no one is using this transaction

- Multi-stakeholder workgroup needed for a "Save This Transaction" effort

- We can join together to improve patient care and reduce administrative burdens across the industry

Current State of Automation: Pharmacy PA

- NCPDP approved and published suite of pharmacy ePA transactions in 2013

- In May 2014 letter, NCVHS recommended that the NCPDP transactions be mandated as the adopted standard for pharmacy PA

- Industry expects proposed rule in 2015

- Payers and vendors already starting to implement NCPDP transactions

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Remaining Barrier: Retrospective ePA Process
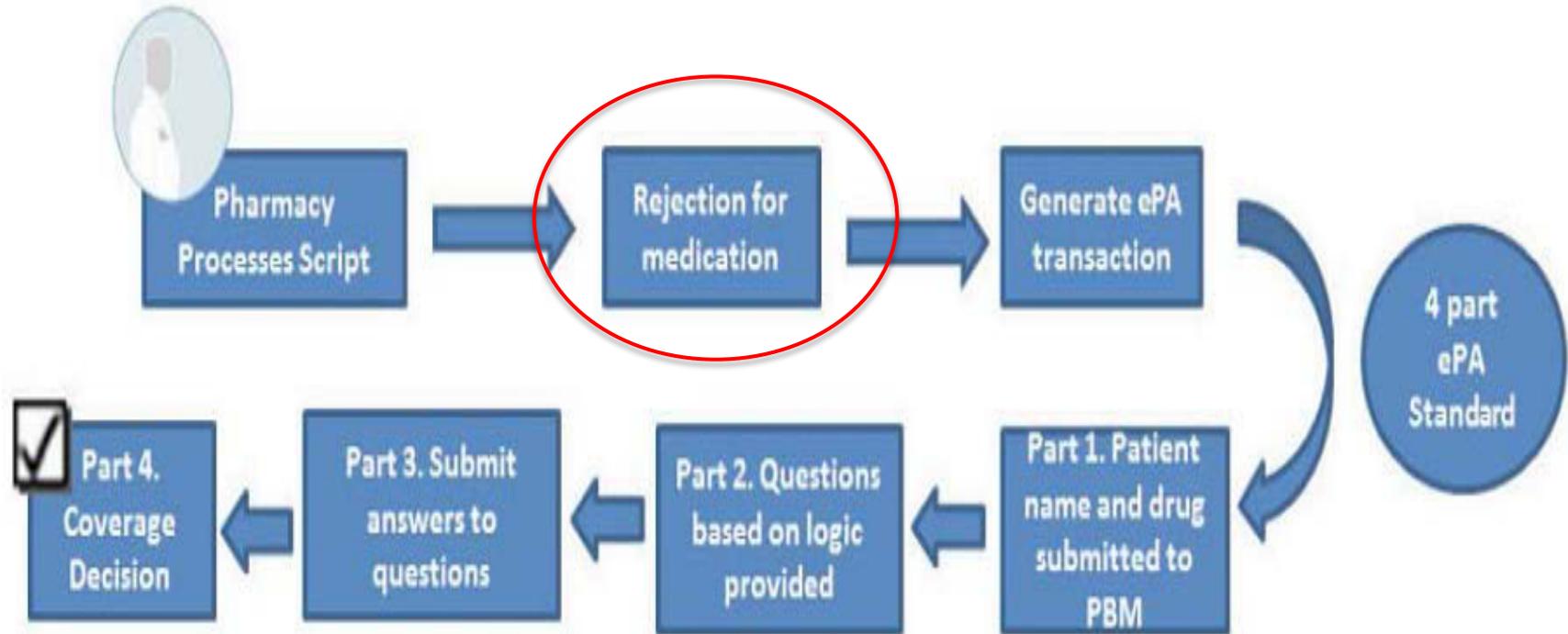
Real-Time Pharmacy Benefit Information for Prescribers

- Identifying when PA is needed is critical first step in ePA process

- Physicians cannot currently obtain accurate, patient-specific formulary information when prescribing due to current limitations in accuracy and completeness of EHR formulary data

- The formulary issue **must** be addressed in order to truly solve PA burdens for all stakeholders and transform from a **reactive/retrospective** to **proactive/prospective** process

Opportunity for Pharmacy ePA: Finish the Job

- Industry has invested significant time and money in developing and implementing NCPDP ePA transactions

- Full value of transactions will not be achieved until formulary data issue is fixed

- Physician adoption of ePA transactions will be suboptimal until EHR formulary information is accurate and reliable

- Ultimate goal: Address any PA requirements before patient arrives at the pharmacy to prevent medication nonadherence

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Questions?

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