

Break Through the Prior Authorization Roadblock



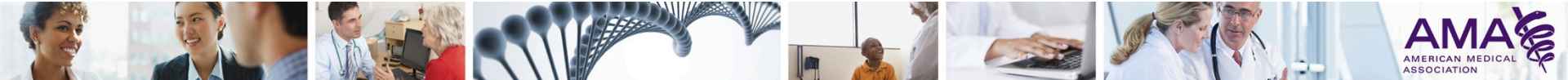
Presenters



Alice Bynum-Gardner
Senior Policy Analyst II
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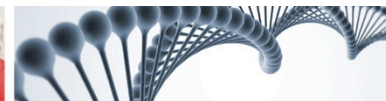


Heather McComas
Director
AMA Administrative Simplification Initiatives



Agenda

- Prior authorization (PA): overview and current industry landscape
- Tips to reduce PA burden in the physician practice
- Future of PA: remaining challenges and practice workflow adjustments
- State legislative PA advocacy

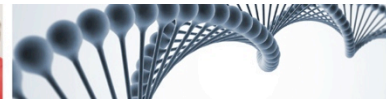


PA overview and current industry landscape



What is PA?

- Any process by which physicians and other health care providers must obtain **advance approval** from a health plan before a specific service is delivered to the patient to **qualify for payment coverage**
- **Other terms** health plans use for PA:
 - Preauthorization
 - Precertification
 - Prior approval
 - Prior notification
 - Prospective review
 - Prior review



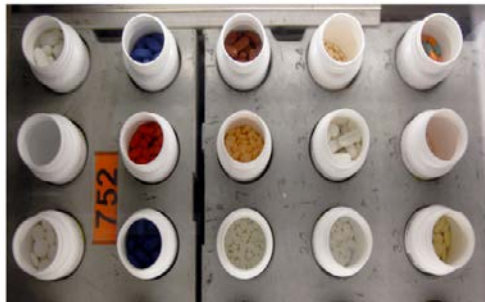
Why do health plans require PA?

- **Cost!**
- News headlines tell the story:

CMS ENTERS PRICEY HEPATITIS C DRUG DEBATE

Prescription Drug Costs Are Rising as a Campaign Issue

SEPT. 21, 2013



Insurers choke on price of new hepatitis C-curing pill

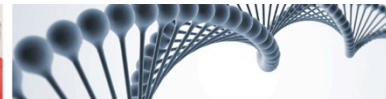
Pharmaceutical pricing

Crippling



Other reasons for PA

- Ensuring compliance with evidence-based clinical guidelines and provision of appropriate care
- Protecting patient safety
 - Example: Health plan requires PA for drug that is contraindicated in patients with kidney disease and requests renal function lab value as part of PA

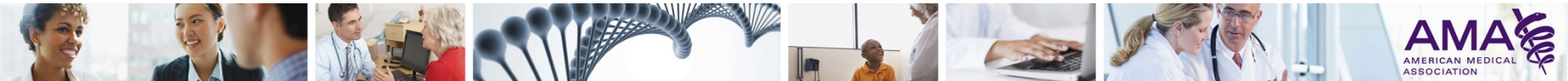


Physician perspective on PA

“Few words arouse more frustration among primary care physicians than ‘prior authorization.’”

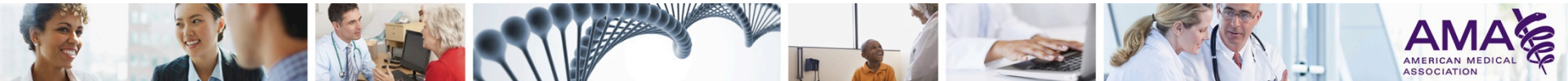
-*Medical Economics*, October 2013

Source: Bendix J. Curing the prior authorization headache. *Med Econ*. Oct. 10. 2013. Available at: <http://medicaleconomics.modernmedicine.com/medical-economics/news/curing-prior-authorization-headache>



What are the consequences of PA requirements?

- Delays in patient care
- Uncompensated work for physicians and staff, which translates into increased overhead costs for practices
- Disruption in practice workflow
- Nonpayment if PA not completed in advance of service provision

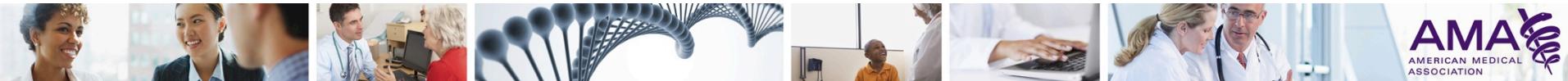


Literature on physician PA burden

- PA time burden to physician practices¹
 - 1.0 physician hour/week
 - 13.1 nursing hours/week
 - 6.3 clerical hours/week
- PA cost burdens
 - \$2,161 to \$3,430 annually per full-time equivalent physician²
 - \$82,975 annually per physician on interactions with insurers³



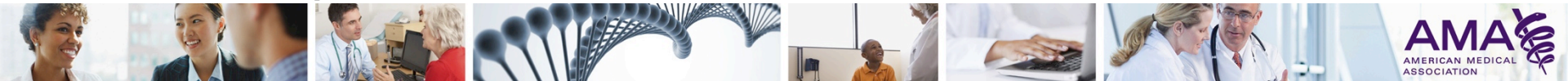
1. Casalino LP et al. *Health Aff (Millwood)*. 2009;28:w533-w543. 2. Morley CP et al. *J Am Board Fam Med*. 2013;26:93-95. 3. Morra D et al. *Health Aff (Millwood)*. 2011;30:1443-1450.



Is PA on the rise?

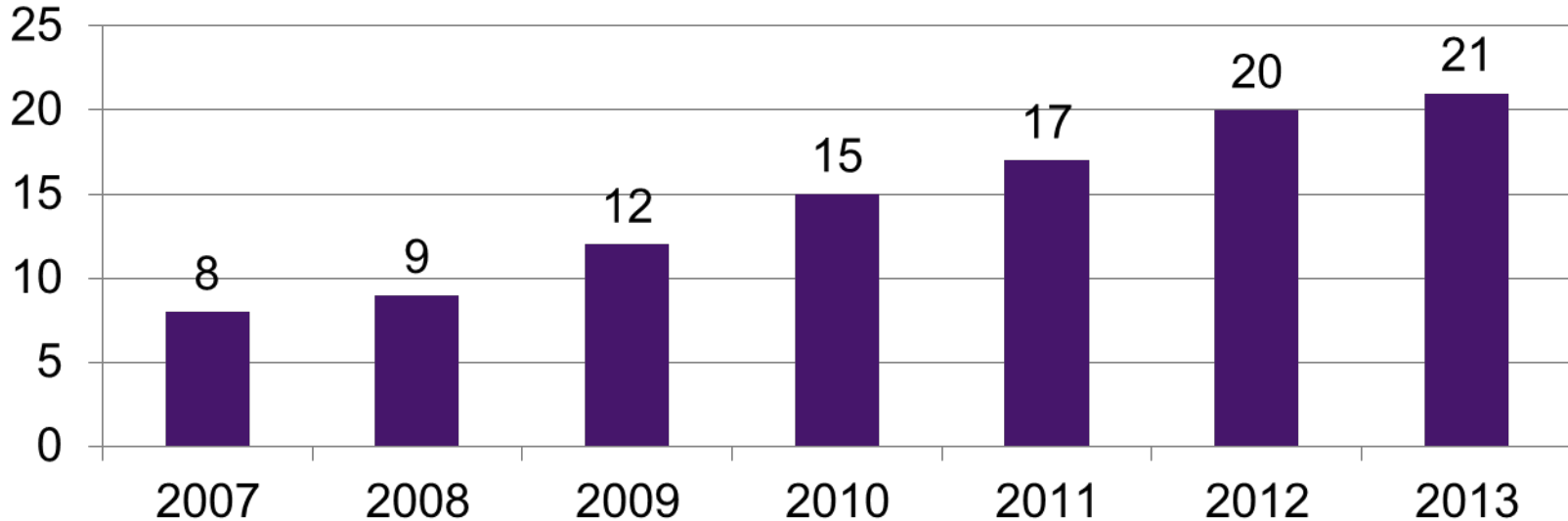
- In one word: **YES**
- Industry estimates predict a **20 percent** per year increase in the number of drug PAs¹
- New, innovative therapies are associated with high price tag -- and health plans restrict access to these treatments to control costs

¹CoverMyMeds ePA National Adoption Scorecard. Available at: <http://epascorecard.covermymeds.com>. [Accessed November 30, 2015.]

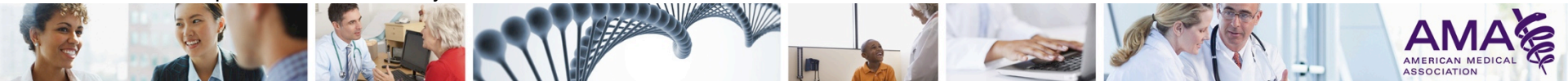


Increasing use of PA: Medicare Part D

Percentage of Covered Drugs Requiring PA

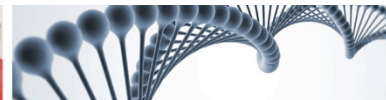


Sources: NORC/Social & Scientific Systems analysis of data from CMS; *Medicare Part D Prescription Drug Plans: The Marketplace in 2013 and Key Trends, 2006-2013*. Available at: <http://kff.org/medicare/issue-brief/medicare-part-d-prescription-drug-plans-the-marketplace-in-2013-and-key-trends-2006-2013/>.



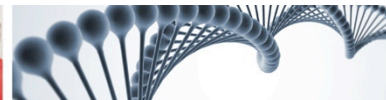
Growth in medical services PA

- PA is also on the rise for medical services, particularly in the public sector
- CMS has implemented PA for a number of services, including a PA demonstration project for power mobility devices that uses the Electronic Submission of Medical Documentation (esMD) system
- CMS has indicated that PA requirements will likely be broadened and applied to other service types in the future, and existing demonstrations will expand to additional states



AMA PA advocacy

- AMA members consistently express concerns about the patient care delays, administrative costs, and workflow disruptions caused by PA
- Responding to these concerns, the AMA advocates for:
 - Overall reduction in health plans' use of PA
 - Limitation of PA to true utilization outliers vs. current broadly applied programs
 - Exploration of alternative approaches to address utilization issues
 - Implementation of standardized electronic transactions when PA is used

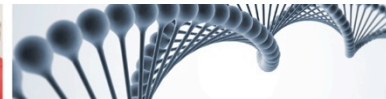




AMA/Federation 2010 survey results: Manual PA process

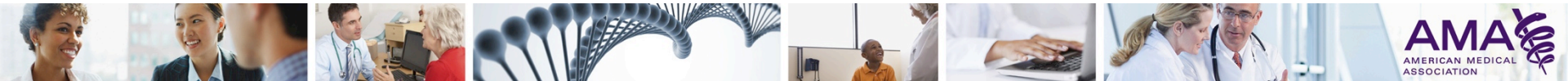
- 83% of survey respondents request PA using faxes
- 63% use a paper form
- 35% direct through a payer Web site
- Only 14% use an electronic standard transaction either through their practice management system or an electronic medical record

**Automation
needed!**



Status of PA automation: medical services

- ASC X12 278 Health Care Services Request for Review and Response is the HIPAA-mandated standard transaction for medical services PA
- However, industry adoption of the X12 278 transaction is **low** for both health plans and providers



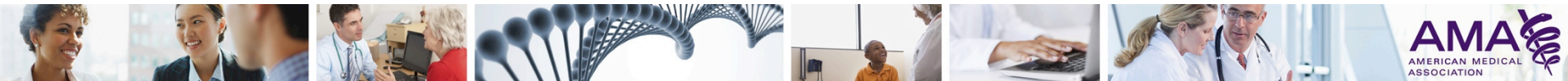
Status of PA automation: medical services

Summary Table 1. Electronic Transaction Adoption, All Electronic Transactions, Health Plans, Healthcare Providers and Combined, 2013
(percent of transactions)

	Health Plans (HIPAA standardized, Web Portal, IVR)	Healthcare Providers (HIPAA standardized)	Plans and Providers Combined Average
Claim Submission	92%	92%	92%
Eligibility and Benefit Verification	95%	69%	82%
Prior Authorization	64%	7%	35%
Claim Status Inquiry	90%	54%	72%
Claim Payment	58%	58%	58%
Remittance Advice	55%	47%	51%

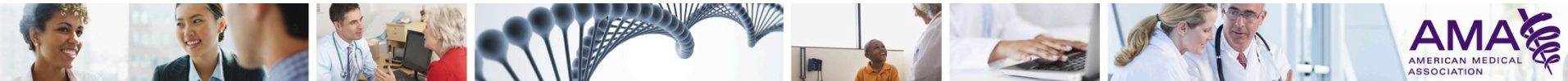
Source: 2014 CAQH Index. All responding health plans.

Notes: Electronic transactions include HIPAA standardized transactions, which are considered fully electronic for both health plans and healthcare providers, as well as “partially electronic” transactions via health plans’ web portals or interactive voice response (IVR) systems, which are considered electronic for health plans, but manual for providers. Industry-wide adoption rates represent the average for health plans and providers.

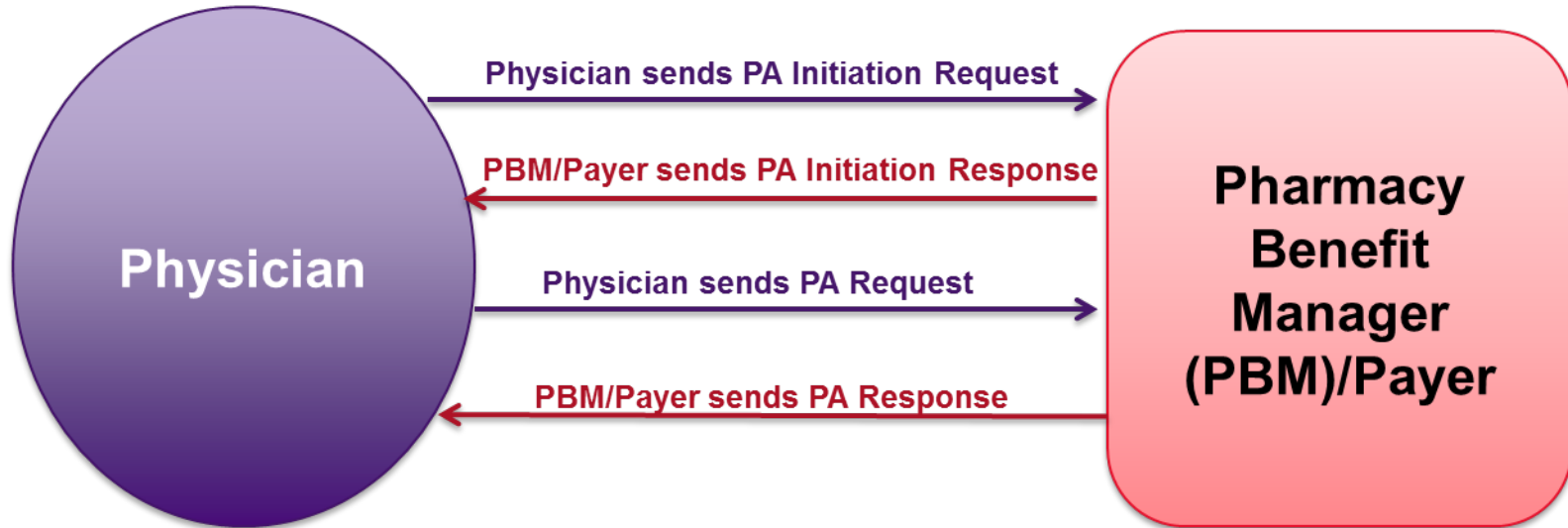


Status of PA automation: pharmacy benefits

- National Council for Prescription Drug Programs (NCPDP) created a suite of electronic transactions to support automated pharmacy PA (ePA)
- ePA transactions are part of NCPDP SCRIPT standard for electronic prescribing and reuse SCRIPT functions and elements
- Approved and published by NCPDP in 2013



NCPDP ePA transaction flow

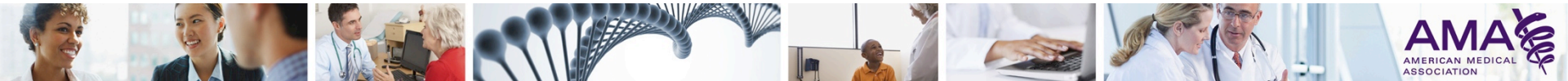


NCPDP ePA transactions:

- Allow payer to use own customized question set
- Support conditional logic
- Support PA cancellation or appeal

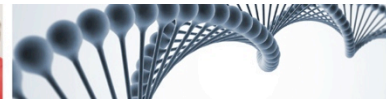
Federal regulatory movement on ePA

- In a May 15, 2014 letter, the National Committee on Vital and Health Statistics recommended that the Department of Health and Human Services:
 - Mandate the NCPDP SCRIPT Standard Version 2013101 ePA transactions as the adopted standard for the exchange of PA information for the pharmacy benefit
 - Adopt the ePA transactions “under the most appropriate regulatory sections and processes that would enable prompt industry implementation and at the earliest possible implementation time”
- Unclear if ePA transactions will be mandated as national standard under Health Insurance Portability and Accountability Act (HIPAA) or Medicare Modernization Act (MMA)

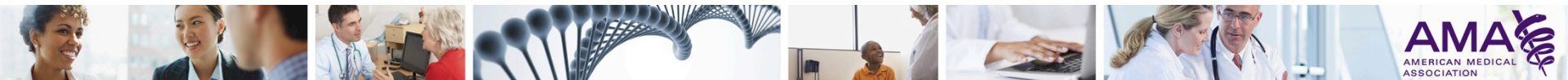
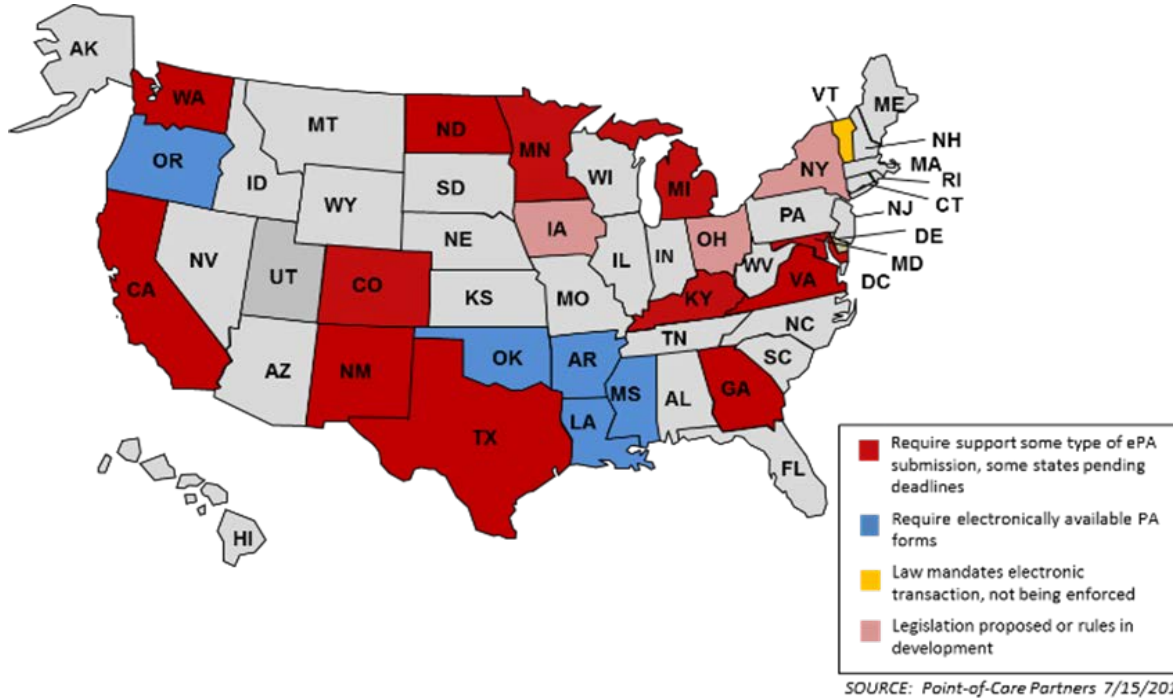


Potential timing of ePA federal mandate

- HHS staff have indicated that proposed rule on ePA transactions will be released soon
- NCPDP has recommended that the effective date for compliance with the ePA transactions be 18 months following the final rule



Status of state electronic PA mandates



Tips to reduce PA burden



Tip #1: Check PA requirements before providing services or sending prescriptions to the pharmacy

BENEFITS:

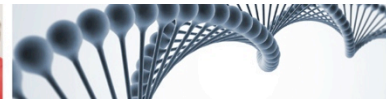
- Prevent medical service claim denials and lost payments due to unmet PA requirements
- Ensure that the pharmacy will not be delayed in filling a prescription and prevent medication nonadherence

Medical services

- Check for PA requirements before ordering service using standard electronic eligibility transaction, health plan website, or phone call

Prescriptions

- Use EHR formulary data to check PA requirements before sending prescriptions to pharmacy to:
 - Eliminate phone calls about prescriptions requiring PA before they can be filled
 - Reduce chances of your patients abandoning prescriptions



Tip #2: Establish a protocol to consistently document data required for PA in the medical record

BENEFITS:

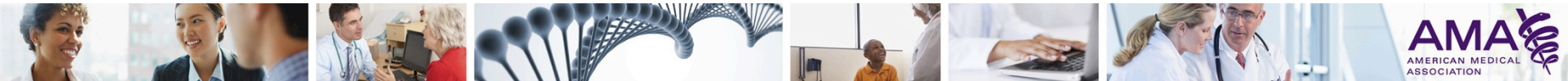
- Avoid delays in patient therapy
- Prevent potential follow-ups with patients for additional information
- Minimize physician time needed in PA process

Medical services

- Quality documentation prevents follow-up patient contact or additional appointments in order to obtain information needed to fulfill PA requirements

Prescriptions

- Diligent documentation, including a complete medication history to meet step therapy requirements, speeds the approval process and minimizes the amount of physician time needed in the PA process

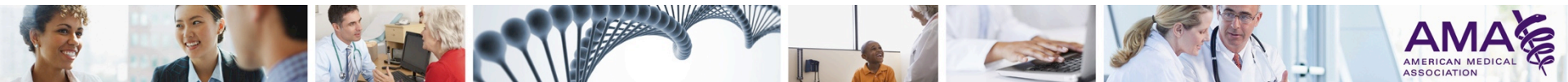


Tip #3: Select the PA method that will be most efficient, given the particular situation and available options

BENEFITS:

- Reduce the time your practice spends on PA
- Minimize workflow disruptions by selecting the best available PA option

The AMA supports an automated PA process that utilizes standard electronic transactions to increase uniformity across health plans and streamline practice workflows.



Available PA methods

PA Method	Situation	Advantages	Disadvantages
Standard Electronic Transactions	Medical (ASC X12 278)	<ul style="list-style-type: none"> • Integrated into EHR workflow • Proof of approval (authorization number) can be used for claims submission • Standard process used across health plans 	<ul style="list-style-type: none"> • Not widely available from vendors or health plans • Can be more time consuming than telephone because of follow-up questions (health plan follow-up may not be electronic) • Response may not be in real time due to manual health plan processing and review
	Pharmacy (NCPDP ePA transactions)	<ul style="list-style-type: none"> • Integrated into the EHR and e-prescribing (eRx) workflow • PA completed before prescription is sent to pharmacy • PA questions are presented onscreen for prescriber or staff • Conditional logic ensures that physician only answers relevant questions • Average approval time can be dramatically reduced • PAs can be electronically appealed and cancelled 	<ul style="list-style-type: none"> • Becoming available, but still in early stages of implementation • PA requirement is not always known at the point of prescribing due to inaccuracy/ incompleteness of EHR drug formulary data • Response may not be in real time due to manual health plan processing and review

Available PA methods (continued)

PA Method	Situation	Advantages	Disadvantages
Payer Portal	Medical and Prescription	<ul style="list-style-type: none"> • All required information presented in one place • Often less time consuming vs. manual processes (fax/phone) • If PA approval is immediate, prescription can be sent to pharmacy and filled without delay 	<ul style="list-style-type: none"> • Outside of EHR or eRx workflow • Requires separate login and password for each health plan website • Information from EHR must be re-typed onto web forms • Few payers support prescription PA via portal; most require faxed forms
Multi-Payer Portal	Medical and Prescription	<ul style="list-style-type: none"> • Single login/password for multiple payers • All required information available in one place • Often less time consuming vs. manual processes 	<ul style="list-style-type: none"> • Outside of EHR workflow • Information from EHR must be re-typed onto web forms

Available PA methods (continued)

PA Method	Situation	Advantages	Disadvantages
Telephone	Medical and Prescription	<ul style="list-style-type: none"> • In many cases (e.g., step therapy) all information can be reported verbally and at one time • Reduce or eliminate delay in receiving approval • Appeal can be begun immediately, if needed 	<ul style="list-style-type: none"> • Long hold times frequent • Interrupts EHR workflow • Transaction is not automatically documented in the EHR • Supporting documentation must still be faxed • Approval must be communicated to pharmacy
Secure email	Medical and Prescription	<ul style="list-style-type: none"> • Enables submission of necessary information as email attachments • Establishes an electronic audit trail • PHI is encrypted for security 	<ul style="list-style-type: none"> • Potential delays as a result of additional information requests • May be outside EHR workflow • Many health plans don't support secure email • Cost to practice for secure email
Fax	Medical and Prescription	<ul style="list-style-type: none"> • Most widely available method of PA submission • Library of payer forms can be developed 	<ul style="list-style-type: none"> • Forms must be filled out by hand • Outside of EHR workflow • Potential for delays as a result of additional information requests • Fax is not encrypted for security • No feedback loop for approvals; provider may not be informed if the drug is approved

Tip #4: Regularly follow-up to ensure timely PA approval

BENEFITS:

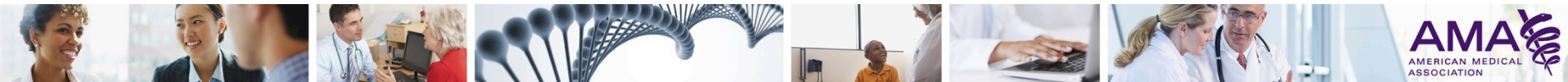
- Prevent delays due to information “lost” or not received by payers

Medical services

- Dated and time-stamped PA submission materials, along with a formalized follow-up process, ensure that submitted PA requests don’t fall through the cracks
- Many practices find “tickler” (i.e., reminder) files helpful in triggering follow-up

Prescriptions

- The ePA process includes a computerized audit capability to confirm when information has been received by the health plan
- List of electronically submitted and pending prescription PAs available in EHR



Tip #5: When necessary, submit an organized, concise and well-articulated appeal with supporting clinical information

BENEFITS:

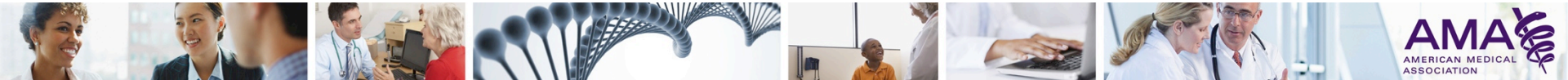
- Increase chances of appeal success and reduce treatment delays for your patients

Medical services

- Submit all supporting clinical information with the appeal
- Additional AMA resources to assist with appeal process available at www.ama-assn.org/go/appeals

Prescriptions

- Submit appeals electronically using NCPDP ePA transactions

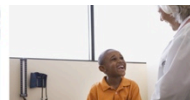


The future of PA: challenges and workflow changes



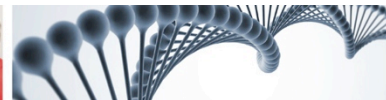
Unfinished business: remaining challenges in PA

- Reduction in PA utilization
- PA requirement transparency
- Autopopulation of information from EHRs



Unfinished business: remaining challenges in PA

We're gonna
need a bigger
boat.



Goal: Overall reduction in PA utilization

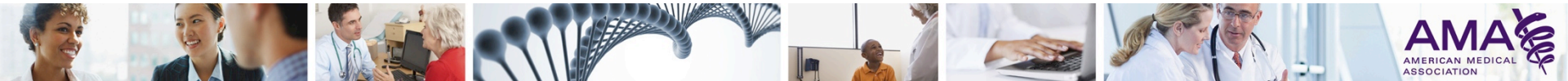
Why?

- PA delays care and can negatively impact patient outcomes
- PA is burdensome and costly for **all** stakeholders
- Movement towards value-based payment models is expected to reduce PA



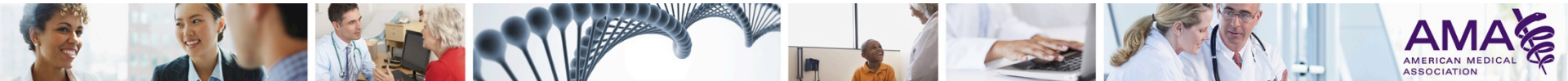
Possible PA alternatives

- *PA sunset programs:* PA requirements removed for services with universally high PA approval rates
- *“Gold card” programs:* Physicians with high rates of PA approvals over a specified period of time are exempt from PA requirements
- *PA waivers:* Physicians using approved, clinically based appropriate use criteria (AUC) and/or clinical decision support excluded from PA programs



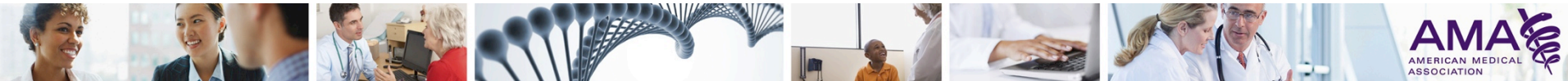
PA requirement transparency

- Practices **must** be aware of PA requirements at the point of ordering/prescribing
- Unfortunately, drug formulary information in EHRs is often out-of-date, incomplete, or inaccurate
 - NCPDP is developing a Real-Time Pharmacy Benefit Inquiry transaction
 - Transaction will enable physicians to receive real-time data about patients' pharmacy benefits at point of prescribing
- Information on medical services PA requirements is similarly difficult for practices to obtain
 - AMA advocates for health plans to provide procedure-specific information with any PA requirements in electronic eligibility responses



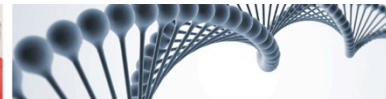
Autopopulation of PA requests from EHR data

- True PA automation would involve extraction of clinical data from EHRs to reduce manual data entry in PA requests
- Ideally, physicians or their delegated staff would just need to review and approve the information prior to PA submission
- Use of codified, structured data in PA requests will also allow for full automation of the PA process in health plans' systems, as data could be machine-read and processed instead of requiring human review
- **Goal:** reduce human touches required in PA process



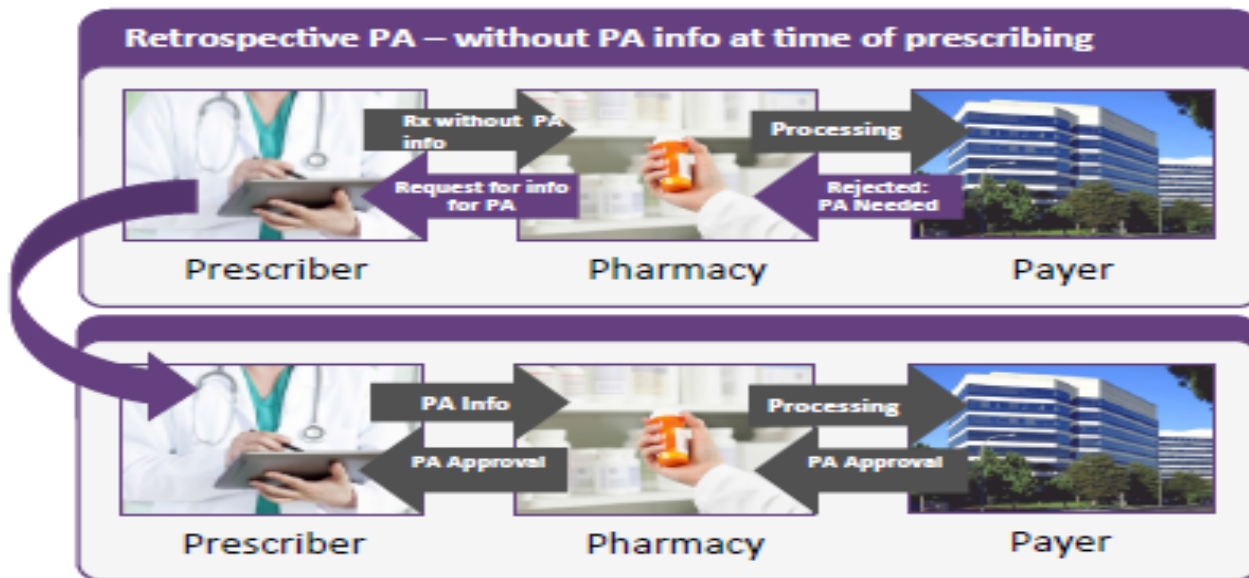
Get set: Prepare your practice for the future of PA

- Review and adjust practice workflow to support prospective prescription electronic PA
- Create demand for PA automation with health plans and vendors



Current retrospective pharmacy PA process

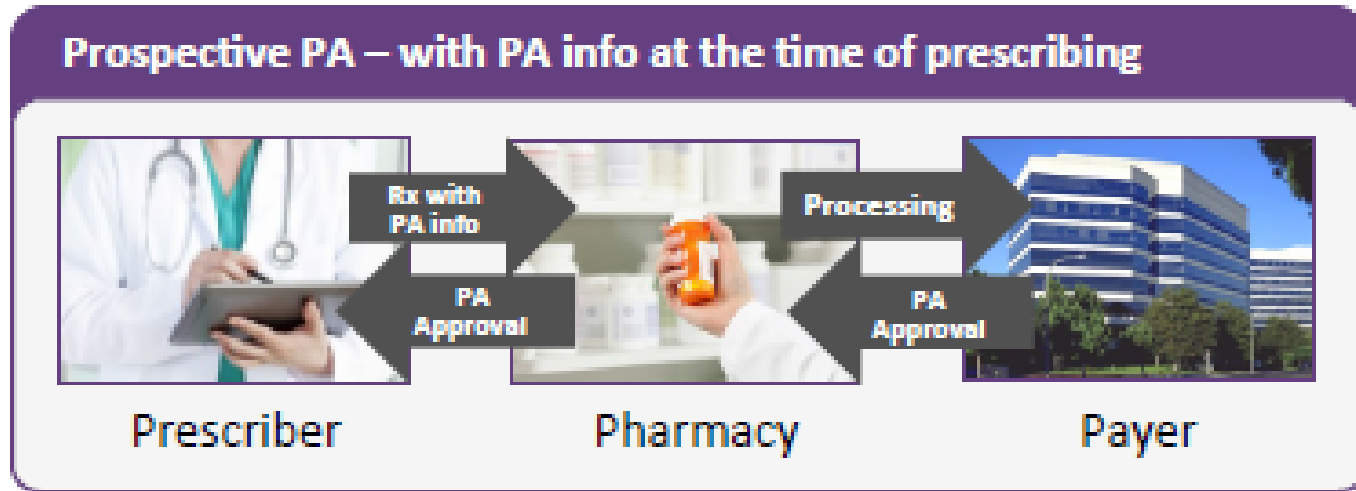
Two-Step Process



Practice is not aware of PA requirements until **after** prescription is sent to the pharmacy and the claim is denied.

Future pharmacy prospective process

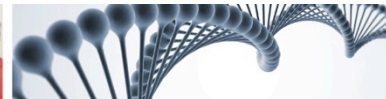
Single-Step Process



Practice completes PA requirements **prospectively** and sends a “clean” (i.e., PA-approved) prescription to the pharmacy.

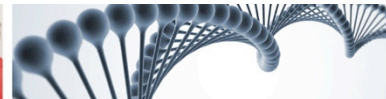
Practice workflow changes needed for prospective pharmacy PA

- Practices will need to consistently check PA requirements when prescribing
- PA question sets will need to be completed, and PAs approved, before prescriptions are sent to pharmacy
- Practices will need to work with pharmacies on best patient communication strategy (i.e., who will let patient know when prescription is ready to be filled?)



Create demand for PA automation

- Ask health plans to offer PA automated tools that will integrate with your practice management system (PMS) and EHR—and use them
- Request that your PMS/EHR vendors offer automated PA functionalities that use standard electronic transactions and fit in your practice's workflow

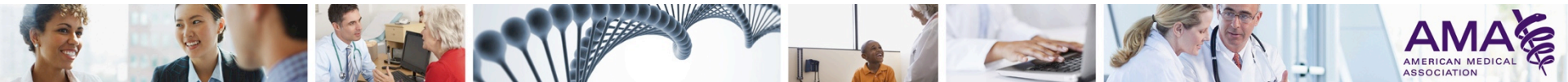




PA advocacy

State legislative efforts to reduce PA burdens

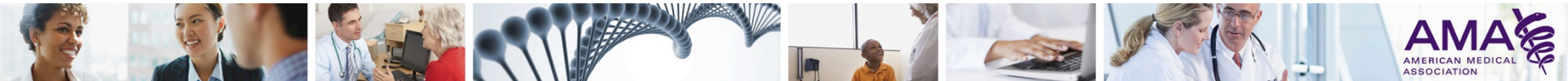
- The AMA's Advocacy Resource Center works closely with state and specialty medical societies to address PA requirements through state legislation
- AMA resources offer talking points and model legislation to medical societies as they tackle PA concerns
- AMA model bill on PA: **Ensuring Transparency in Prior Authorization Act**



Ensuring Transparency in Prior Authorization Act

Requires utilization-review entities to:

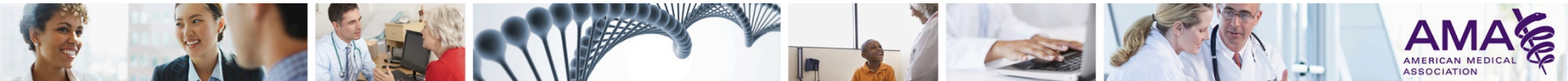
- Display current PA requirements, including clinical criteria, on their websites and make this information available to all stakeholders
- Provide contracted health care providers notice of 60 days before implementing a new PA requirement or amending current requirements
- Display statistical information regarding PA approvals and denials on their Web site
- Respond to PA requests in 2 business days for non-urgent services, one business day for urgent services and 60 minutes for post evaluation or post-stabilization services following emergency care
- Offer ePA as an option for physicians



Ensuring Transparency in Prior Authorization Act

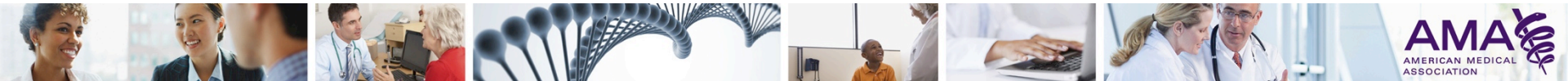
Also prevents utilization-review entities from:

- Requiring PA for emergency services
- Engaging in restrictive step-therapy requirements at the expense of patients' health
- Revoking or restricting a PA for a period of 45 working days from the date the health care provider received the PA



Conclusion

The AMA will continue to urge the health care industry to minimize the impact of PA on physician practices and patient care through judicious use of utilization controls, optimal automation and streamlined PA workflows.



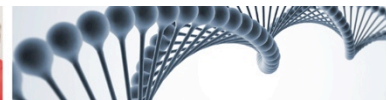
AMA PA resources

AMA Prior Authorization Toolkit

www.ama-assn.org/go/priorauthorization

AMA Administrative Simplification Initiatives

www.ama-assn.org/go/simplify



Questions



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