Electronic Prior Authorization Initiatives at the Point of Care: Moving the Industry Forward

Friday, April 20th from 11:45am to 12:45am

Marc Nyarko, Humana
Bruce Wilkinson, CVS Caremark
Roger Pinsonneault, RPh, RelayHealth
Tony Schueth, Point-of-Care Partners
Agenda

• Electronic Prior Authorization: An Overview
  – Landscape
  – History
  – Current Status

• The Health Plan Perspective: Humana’s Journey

• CVS Caremark: A Real-World Example – ePA in the ePrescribing Process

• The Intermediary Perspective: RelayHealth’s Practical Approach
Electronic Prior Authorization: An Overview

Electronic Prior Authorization Initiatives at the Point of Care: Moving the Industry Forward

Tony Schueth, CEO & Managing Partner, Point-of-Care Partners | Leader, NCPDP ePrior Authorization Workflow-to-Transactions Task Group
Defining Prior Authorization

- Prior Authorization is a cost-savings feature that helps ensure the safe and appropriate use of selected prescription drugs and medical procedures.
  - Criteria based on clinical guidelines and medical literature
  - Selection of PA drug list and criteria can vary by payer
Defining Electronic Prior Authorization (ePA): Real-time request and response

- ePA allows the provider to electronically request a PA question set, return the answers to the payer and receive a real-time response
  - Can utilize a network or direct connection to enable bi-directional communications
  - Real-time response returns approval or pending
    - Denial response will require a manual review
    - Real-time adjudication override for approved drugs
- ePA integrated into a web portal or applications/modules for prescribers and their staff
- Can leverage other existing transactions/standards to facilitate the PA process
- The prior authorization process could also be automated to improve clinical workflow
Prior Authorization Impacts All Healthcare

**Patient hassle and treatment delay**
- PA unknown until patient has already left office
- Treatment might be delayed for days

**Pharmacy hassle**
- Pharmacy must call prescriber’s office, and sometimes the plan

**Pharmaceutical Obstacles**
- Delayed and abandoned prescriptions
- Extensive outlay for physician and patient administrative assistance

**Prescriber hassle and disruption**
- Call back from pharmacy, must call plan, wait for faxed form, completes form and sends it back
- Turnaround time can be 48 hours or more

**PBM/Health plan inefficiency**
- Expensive and labor intensive process that creates animosity
Automation today largely replicates the paper process requiring duplicate entry of information.
Gaps in Current PA Activities

• Criteria not residing within physician’s application 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
Federal government (HIPAA, MMA, CMS/AHRQ) efforts to encourage development and adoption of ePA has brought us to an inflection point. The industry must now take over.

NCPDP ePA Task Group Formed
- Standard transactions mapped
- Gaps identified
- HL7 PA Attachment created (2005)

CMS/AHRQ pushes forward
- Resolution of which SDO would own ePA
- Exception to HIPPA resolved
- Value model created

Renewed Interest
- More pilots
- Economic value
- State legislation

Aug 1996
- HIPAA passes
  - X12 278 named “prior authorization” transaction standard

Nov 2004
- MMA ePrescribing Pilot Tests
  - “Menagerie of ePA standards” pilot tested
  - One standard – not X12 278 -- recommended

2006
- New Standard Created
  - Housed in NCPDP
  - Compatible with emerging technology
  - No pilot test

2008

2009

2011
“We are not aware of a widely adopted, common, industry transaction standard that has been demonstrated to support real-time ePA, nor are we aware of a common or universal electronic format that has been demonstrated to facilitate distribution of prior authorization forms. We are aware of work that has been done by the National Council for Prescription Drug Programs (NCPDP) to create an XML-based ePA messaging standard and a real-time eligibility check messaging standard.”
PATIENT Visits Doctor

Drugs can be identified as requiring PA via NCPDP Formulary & Benefit Standard

PRESCRIBER
- Writes Prescription
- Completes a structured Q&A
- Submits PA Request
- Transmits Prescription

PHARMACY
- Dispense Drugs
- Files Drug Claims

PAYER
- Determines PA Status, Criteria
- Compiles PA clinical rules
- Processes PA Requests
- Processes Drug Claims

Drug Claims are Submitted via NCPDP Telecommunications vD.0

Submit Required Patient Information via NCPDP Draft PA Standard or X12 278/275/HL7 PA Attachment

Prescriptions are submitted via NCPDP SCRIPT

Red = gaps in existing standards  Blue = existing standards
Update on Standards Development

• Task group reformed in November 2011, and currently active:
  – Working on xml version of NCPDP ePA Standard
    • CVS Caremark, others applying lessons learned
  – Considering X12 270/271 278/275 v5010, HL7 PA Attachment
  – Concerns about formulary accuracy
    • One solution is the Real-Time Benefit Check (RTBC)
The Health Plan Perspective: Humana’s Journey

Electronic Prior Authorization Initiatives at the Point of Care: Moving the Industry Forward

Marc Nyarko, HCPR Director of Operations, Humana
Humana Clinical Pharmacy Review Overview

Purpose: Operationalize drug utilization management to ensure patient safety, efficacy, and effectiveness of medication

Objectives:
• Ensure the correct medication is administered at the right time using evidence based medicine
• Ensure appropriate access to care

Implementation of Clinical Criteria:
• Clinical criteria are operationalized via rules based scenarios built into our PA processing software system
• Based on how questions are answered, cases may be approved and subsequent authorizations entered
• If the answers do not meet criteria, the cases are sent to a pharmacist for further review
• The system allows cases to be routed to various work areas based on criteria: Drug Type, Edit Type, Reject Code,
Our Prior Authorization Journey

- Labor Intensive
- High Cost to Quality
- Reactive Culture
- Leaner Labor Force
- Enterprise Reporting
- Early Detection
- Point of Care Processing
HCPR Process and Tools

HCPR PA Process

• Calls received are logged into PA Hub as “EOC’s” (Episode of Care)—All EOC’s have a unique ID number that is sent on the outbound FAX to the provider via barcode

• Returning barcoded FAX’s are automatically matched to the appropriate record by the system and trigger the start of the review process

• Where feasible automated scenarios direct the review

• Member and provider notifications are automated within the tool and are selected based on automated scenarios
Humana eRx Strategy

Provide a solution that is easy for providers to use, easy for members to use, and is cost effective for all involved.
ePrior Authorization Processing

Begin

Prescriber Selects Drug

Display Alternatives

Acquire PA Criteria from PBM

Non-PA Required Alternative Selected

YES

PBM Processes PA

PBM Processes PA

eRx Created and Sent

YES

Drug Dispensed at Pharmacy

Another Drug?

YES

NO

End
Our Ambition

1. Reduced Labor Requirements
2. Quality Decisions Based Upon the Member’s Benefit
3. Faster Turnaround Times

ePA

Cost
Consistency
Compliance
CVS Caremark: A Real-World Example – ePA in the ePrescribing Process

Electronic Prior Authorization Initiatives at the Point of Care: Moving the Industry Forward

Bruce Wilkinson, CVS Caremark
What is E-prescribing?

• E-prescribing occurs when a prescriber uses a computer or handheld device with software that enables him or her to:
  – Electronically route the prescription to the patient’s choice of pharmacy
  – Electronically access that patient’s prescription benefit (eligibility, formulary)
  – With a patient’s consent, electronically access that patient’s prescription history

• The goal of e-prescribing
  – Provide safer and more effective care with better outcomes; more cost-efficient health care through the provision and transmission of appropriate electronic health information at the point of care

1 Surescripts and The 2008 National Progress Report on E-Prescribing
eRx Workflow

Hospital

Clinic

Surescripts

Pharmacy

Patients

PBMs/Payers
Current Messaging: Formulary & Benefit

**Product:** Precose 100 mg (tablet)
**Status:** On Formulary, Not Preferred
**Type:** Brand Name, Prescription Only
**Plan:** Grin & Bearet Health (1234)
**PBM:** Caremark
**Group #:** RRRHBMTC1
**Rx Benefits:** Retail and Mail Order

**Patient Age:** 18 to 65 years
**Gender:** Men only
**Quantity Limit(s):** A maximum of 30 units within a 90 day period
**Prior Authorization Required**
**Step Therapy:** This medication should be dispensed as part of a progressive treatment plan for a specific medical condition.

**COPAY INFORMATION**
Retail or Mail Order: Copay Tier 2 out of 5
(1 – lowest cost, 5 – highest cost)

**ADDITIONAL INFORMATION**
SUGGESTED ALTERNATIVES DIOVAN, COZAAR
Electronic Prior Authorization (ePA)

- First ePA solution integrated directly into e-prescriber workflow
- Real-time response; Real-time adjudication override for approved drugs
  - Providers can request PA question set, submit answers and receive a real-time response via e-channel
  - Question sets can be auto-populated and support conditional logic.
  - Leverages Surescripts network to enable bi-directional communications between provider and CVS Caremark
- Flexible access through preferred channels
  - Integrated into e-prescribing or electronic health record tool
  - Portal solution with access through Caremark.com or client portal
- Can leverage other SCRIPT transactions like RxChange to facilitate prescribers - pharmacy communication to support the retrospective model

Industry-leading ePA improves physician satisfaction and helps patients get faster access to medication.
**ePA Process (CVS Caremark)**

- **E-Prescribing App./Module**
  - Select Drug View PA Flag RTBC

- **MD Portal**
  - If eRx tool does not support ePA
  - Portal

- **Pharmacy**
  - ePA Draft Standard
  - ePA Question Sets Approval/Denial e-Appeal

- **PBM**
  - Submit Claim
  - ePA Question Sets Approval/Denial e-Appeal

- **Submit Prescription**
  - SCRIPT: RxChange Request-Response
  - Reject – PA Req’d
  - Approved
  - Prescription Dispensed

- **Submit Claim**
  - SCRIPT: NewRx
  - Prescriber returns to eRx tool

**SCRIPT**
- NewRx
- RxChange Request-Response

**ePA Draft Standard**
- ePA form request/response
- ePA submission/response
- ePA Cancel
- eAppeal

**ePA Question Sets**
- Approval/Denial e-Appeal
ePA Demonstration: Create a prescription
ePA Demonstration
ePA Demonstration

Humira Prior Authorization

Patient Name: Doe, John

Please contact 555-555-5555 with any questions.

What is the diagnosis?

- Rheumatoid arthritis (RA)
- Active ankylosing spondylitis (AS)
- Chronic plaque psoriasis
- Psoriatic arthritis (PsA)
- Crohn’s disease (CD)
- Juvenile idiopathic arthritis (JIA)

Additional Comments (optional)

Expiration Date: 09/10/2011

NEXT  CANCEL  SAVE & FINISH LATER
**ePA Demonstration**

### Humira Prior Authorization

**Patient Name:** Doe, John

Please contact 555-555-5555 with any questions.

**Review your answers:**

<table>
<thead>
<tr>
<th>Questions</th>
<th>Answers</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the diagnosis?</td>
<td>Rheumatoid arthritis (RA)</td>
<td></td>
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<tr>
<td>Is the patient ≥18 years of age?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Prior to initiating therapy, was the patient tested for tuberculosis (TB)?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Was latent TB infection ruled out?</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>Does patient have active TB or any other clinically important infection?</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Does the patient have a current chronic infection or a history of recurrent infections?</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>

**Expiration Date:** 09/10/2011

**Priority:** Not Urgent
Humira Prior Authorization

Patient Name: Doe, John

Please contact 555-555-5555 with any questions.

Thank you. Your ePA request is approved. Maximum of 2 pens/syringes (40 mg/0.8 mL) per 21 days. Humira_DoeJ_Caremark_Approved.pdf

Expiration Date: 09/10/2011

ADD ATTACHMENTS

12MB Max

NEXT
CANCEL
START OVER
SAVE & FINISH LATER
ePA Demonstration:
Send approved prescription to pharmacy
Appendix: Real Time Benefit Check (RTBC)

- Update of the current formulary coverage transaction. This transaction allows prescribers with a mock adjudication of the selected drug. The response confirms that the selected drug:
  - Requires a prior auth
  - Is covered by the member's benefit
  - A PA currently in place (and has not expired)

- In addition, the transaction provides pricing for retail and mail and lower cost therapeutic alternatives.

- Currently being piloted by Surescripts. The RTBC is not an NCPDP/SCRIPT standard

This screen is a Mock-up, not in production
The Intermediary Perspective: RelayHealth’s Practical Approach

Electronic Prior Authorization Initiatives at the Point of Care: Moving the Industry Forward

Roger Pinsonneault, <title here>, RelayHealth
Significant Market Challenge

- Approximately 120 Million, and growing, pharmacy prior authorization rejects per year
- Of these denied prescriptions, a high percentage are never filled by the patient
- Specialty drugs are 5x more likely to require a PA than non-specialty drugs*
  - Non-specialty drugs require PA ~ 6% of the time
  - Specialty drugs require PA ~ 34% of the time
- Prior authorizations and high patient out-of-pocket costs are typically cited as the two most significant barriers to patients obtaining biologics

*Source: Drugs on Specialty Tiers in Part D, February 2009
Significant Market Challenge

- Prescriber Notifications
- Prior Authorization Form Selection
- Prior Authorization Form Processing
- Prior Authorization Form Submission
- Prescriber Notifications
- Pharmacy Notifications
- Patient Notifications

With overriding goals:

1. Timely Communications
2. Workflow Friendly
3. Leveraging Existing Technologies
PriorAuthPlus

An evolving healthcare technology solution that leverages existing healthcare industry standards to reduce prior authorization processing inefficiencies and improved medication compliance. The solution supports “Reactive” and “Prospective” prior authorizations and a migration path to full automation.

- **Pharmacies**
  - Initiation of the prior authorization process as the result of a prescription claim denial from their practice management system
  - Leverages the NCPDP Telecommunication Standard to automate the population of a Prior Authorization form
  - Supports all plans and all medications

- **Providers**
  - Initiation of the Prior Authorization process at the point of prescribing a medication
  - Physicians can work prior authorizations from an administrative queue, their practice management or electronic health record systems
  - Supports all plans and all medications

www.amcp.org
PriorAuthPlus

Current “Reactive” Solution

<table>
<thead>
<tr>
<th>Provider</th>
<th>Pharmacy</th>
<th>Pharmacy Benefit</th>
<th>PriorAuthPlus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Writes Prescription</td>
<td>Submits Rx Billing</td>
<td>Prior Authorization Reject</td>
<td>Captures Request for Assistance</td>
</tr>
<tr>
<td></td>
<td>Submits Request for Assistance</td>
<td>Delivers Request for Assistance</td>
<td>Selects and Populates Prior Authorization Form</td>
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<td>Invites Provider to Complete Prior Authorization Form</td>
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<td>NCPDP Telecommunication Standard – “B1” Transaction</td>
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RelayHealth & CoverMyMeds

| | | | |
| | | | Submits Prescription Claim |
PriorAuthPlus

- Pharmacies
  - Contracted - 15,000 plus
  - Implemented - 12,000 plus
  - Pilot Testing – Chains representing over 8,000 pharmacies

- Providers
  - 55,000 plus have an account
  - 320,000 plus have used at least once
Provides a compatibility layer so providers can use it for all plans, even those that don’t support ePA.
Provides a compatibility layer so providers can use it for all plans, even those that don’t support ePA.
The End

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