

**s**PCMA Business  
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# Formulary and Prior Authorization in an EHR world

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# The EHR market continues to expand as most physicians have integrated the technology into their practices

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EHR systems are becoming the digital platforms where doctors live: >80% of office-based physicians are using EHRs and >85% are now e-prescribing



HCPs spend an average of 3.3 hours per day using EHR systems, twice as long as on all other digital resources combined



Opportunities exist to integrate utilization management tools within EHRs and ePrescribing workflow for both specialty and non-specialty medications

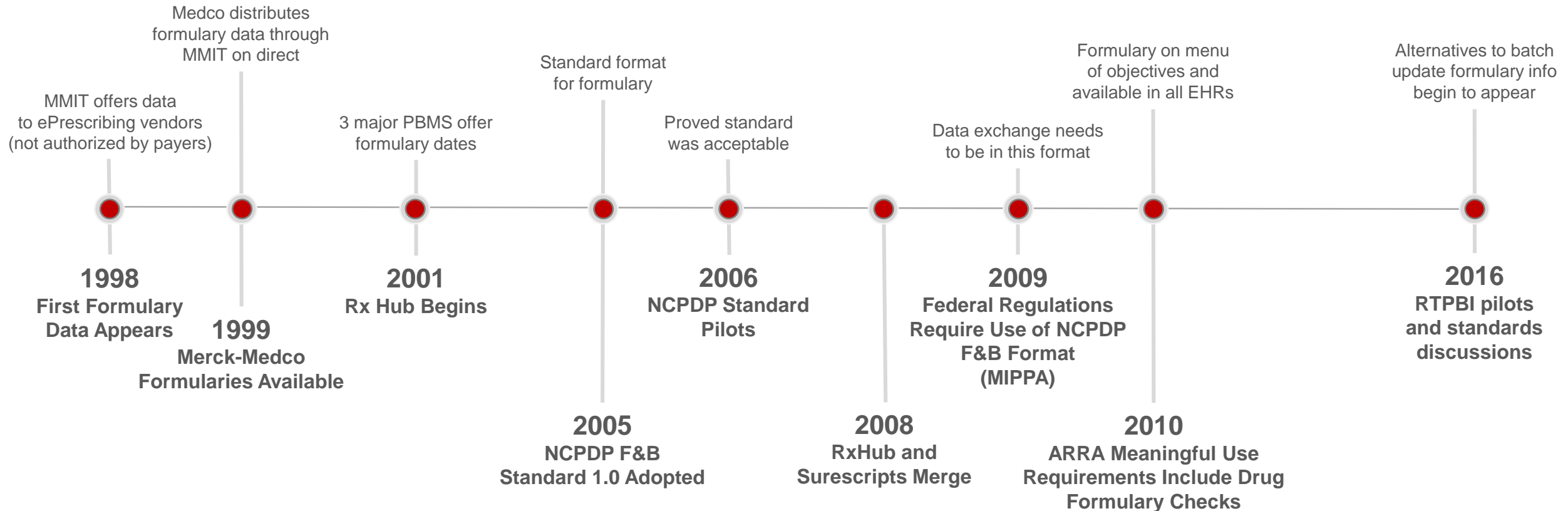
References: CMI Media; Decision Resource Group; GHG

# Three Key Trends in Removing Barriers to Medication Access

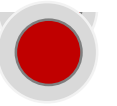
- Improving **formulary timing, availability** and **completeness** of data to support ePA
- **Streamline ePA process** to help increase adoption
- Identification and **delivery of therapy driven messaging** for appropriate patients



# Electronic Formulary Historical Timeline



# Traditional Timing for Formulary Updates in an EHR



*Formulary updates can take up to six months to reach prescribers*

Update Method  
& % HCPs  
affected

Month 1

Month 2

Month 3

Month 4

Month 5

Month 6

Automatic  
Update

Surescripts published  
formulary data made  
available monthly

EHR Processing

Data Release to End Users

*Practice Triggered  
updates require  
action  
at practices,  
creating  
delays*

Typical Practice-  
Triggered Update

Surescripts published  
formulary data made  
available monthly

EHR Processing

Data Release to End Users

Practice Download

Install

Worst Case-  
Quarterly Updates/  
Practice Triggered

Surescripts published formulary data made  
available monthly

EHR Processing

Data Release to End Users

Practice Download

Install

*EHR retrieval  
of Formulary data  
varies from monthly  
to quarterly*

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# Completeness of information in F&B file



Despite industry focus on Prior Authorization, **inclusion of PA indicator and other coverage restriction information in the Formulary and Benefit file dramatically lags behind expectations.** A number of reasons exist, both at EHRs and at Payers/PBMs.

## EHRs:

Latency of update process

- File size

Lack of confidence in the data

Flexibility in the standard leads to highly variable data

## Payers:

Complexity in creating data

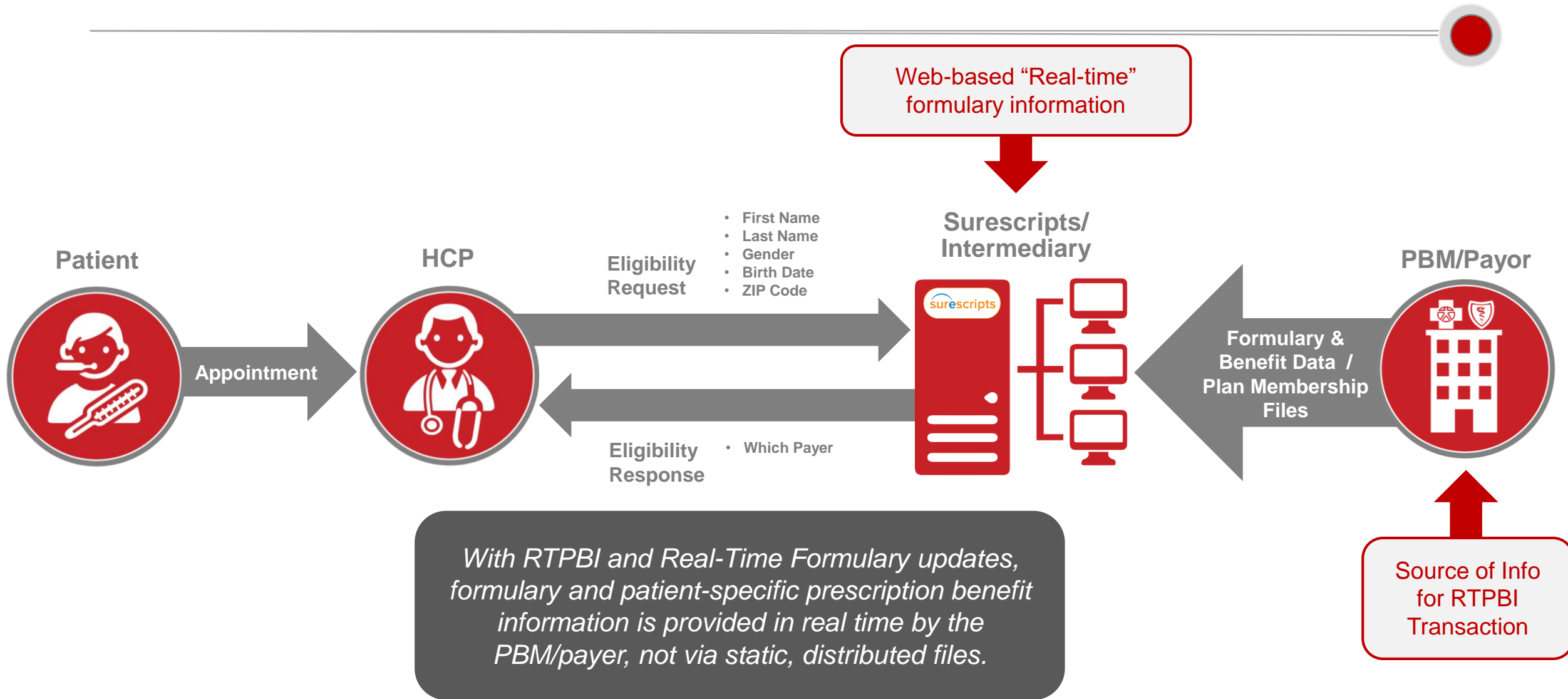
- PA identifiers are not uniform across all patients using the formulary
- Often lacks all coverage restriction information in the file

Development priorities

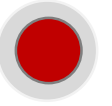
- NCPDP versions

*Inclusion of PA flag is inconsistent across data. A missing flag causes a prescription to be sent to the pharmacy without the required PA*

# Future State of Point-of-Care Formulary Validation



# ePA Integration Rates on the Rise



*The integration of electronic prior authorization (ePA) functionality in EHRs and adoption among payers has been increasing, but adoption by physicians still lag behind*

## | EHR Adoption

**70%** COMMITTED

of EHRs are committed to implementing an ePA solution, compared to 70% in 2016 and 54% in 2015.

**54%** AVAILABLE

of EHRs have completed the ePA integration work with their selected vendor, and have a solution in market, compared to 47% in 2016 and 22% in 2015.

## | Payer Adoption

**96%** COMMITTED

of payers are committed to implementing an ePA solution, compared to 87% in 2016 and 67% in 2015.

**90%** AVAILABLE

of payers have completed the ePA integration work with their selected vendor, and have a solution in market, compared to 68% in 2016 and 60% in 2015.

Source: CoverMyMeds ePA Scorecard report, 2017



# Improved EHR Functionality to Drive ePA Adoption among physicians

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- EHRs contain the answers to most payer questions, and technology exists to extract the data from EHRs automatically
  - To enable the automatic extraction of the data, a standardized query format would be necessary
  - Standardized questions would be needed
- Efforts around **interoperability** continue to move forward
  - MU Stage 3 Final Rule
  - HL7 FHIR/Argonaut Project
  - NCPDP ePA Task Group
- Interoperability would benefit from an “automated effort” of **data extraction** behind the scenes

*Prescriber satisfaction and adoption will increase through reduced duplicate data entry*

# Opportunities for therapy driven messaging and programs



## Therapy Driven Messaging

- Disease and brand awareness
- Formulary messaging
- RX support messaging
  - Financial
  - Treatment support



## Point-of-Care Solutions

- Clinical decision support
- Disease identification
- Validated screeners and assessments



## Real-World Insights

- Patient-level datasets
- Patient treatment journey
- Retrospective data analysis
- Prospective programs
- Integrated real-world evidence

Thank you

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