Prior Authorization between Prescribers and Processors for the Pharmacy Benefit
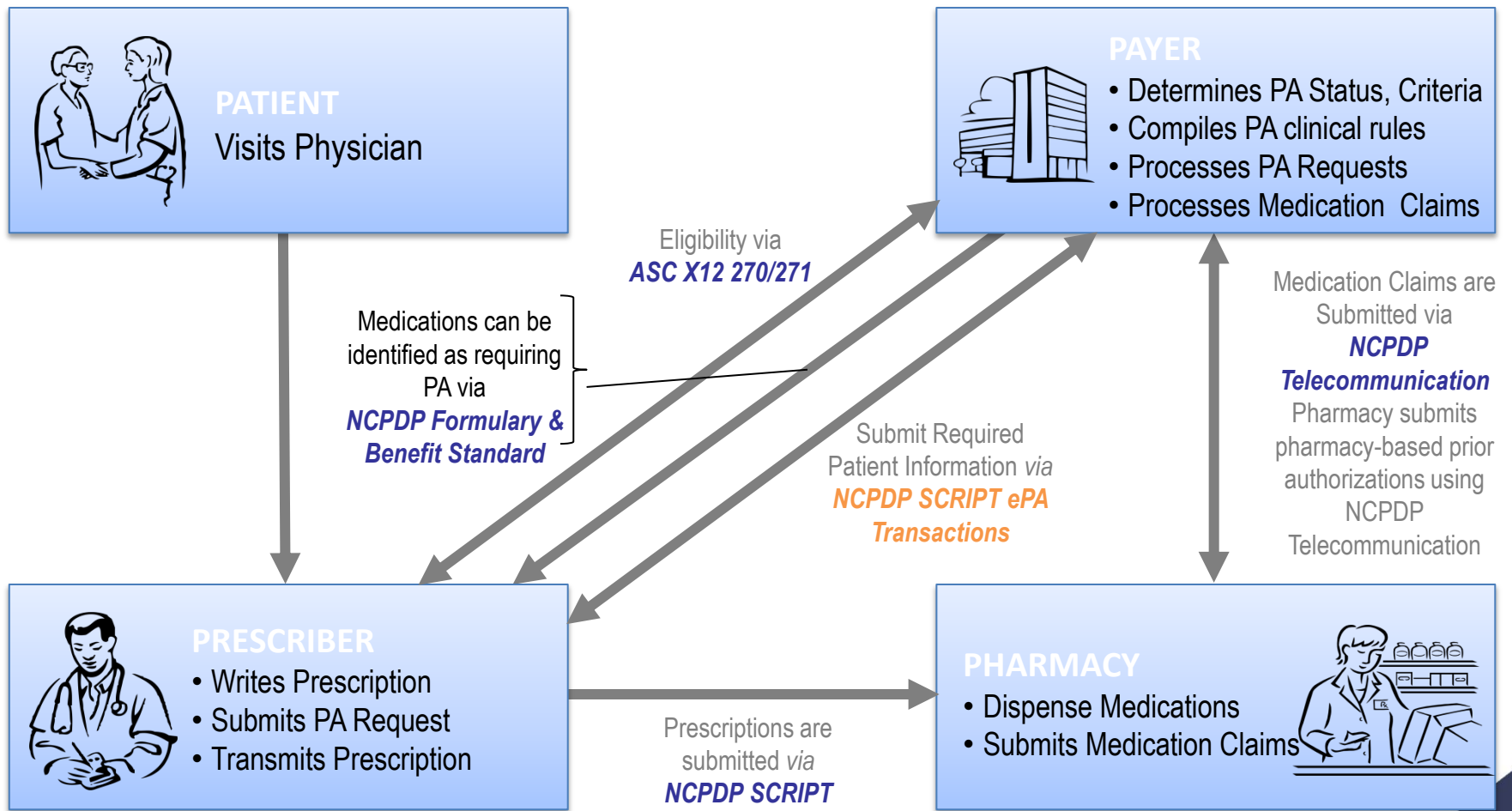
Tony Schueth
Lynne Gilbertson

Panel 4
February 19, 2014

NCPDP

Electronic Prior Authorization Process
for the Pharmacy Benefit using SCRIPT Standard

PATIENT
Visits Physician

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

Eligibility via
ASC X12 270/271

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

Submit Required Patient Information *via*
NCPDP SCRIPT ePA Transactions

Medication Claims are Submitted via
NCPDP Telecommunication
Pharmacy submits pharmacy-based prior authorizations using NCPDP Telecommunication

PRESCRIBER
- Writes Prescription
- Submits PA Request
- Transmits Prescription

Prescriptions are submitted *via*
NCPDP SCRIPT

PHARMACY
- Dispense Medications
- Submits Medication Claims

NCPDP

Electronic Prior Authorization History

HIPAA
- X12 278 named referral function transaction standard for non-retail pharmacy.
- Telecom Standard named for retail pharmacy.

CMS/AHRQ pushes forward
- Resolution of where standard should reside
- Value model created

NCPDP Revises Transactions
- Pilot results incorporated into revised standard
- Ballot
- Educational Sessions
- OESS apprised

NCPDP ePA Task Group Formed
- Promote standardized automated PA adjudication
- gaps identified

NCPDP Facilitates Industry Creating new transactions
- Compatible with emerging technology
- No pilots
- HIPAA use of X12 278 and Telecom Standard

NCPDP SCRIPT 2013 published
- Standard includes ePA transactions
- Educational sessions
- Implementations begin/continue

MMA ePrescribing Pilots
- Determined the X12 278 PA standard was inadequate for medications

Renewed Interest
- Pilots conceived/initiated
- state legislative interest
- OESS apprised

Regulatory Processes
- Working with OESS
- NCVHS recommends SCRIPT ePA with Attachments
- DSMO Change Request 1189
- Clarification letter to NCVHS

| 1996 | 2004 | 2006 | 2009 | 2010 | 2012 | 2013 | 2014 |

NCPDP

Status of Electronic Prior Authorization Transactions in SCRIPT Standard

Educational webinars held before and after the ballot process.

Next webinar is April 10, 2014 12 pm ET. Information will be posted at
http://www.ncpdp.org/Education/Webinar

NCPDP SCRIPT Standard version 2013071 published July 2013, updated October 2013

Available free of charge with NCPDP membership (www.ncpdp.org)

SCRIPT Implementation Guide, XML schema, data dictionary and external code list and SCRIPT Implementation Recommendations documents

NCPDP has been working with Department of Health and Human Services (HHS) Office of eHealth Standards and Services (OESS) for the regulatory processes for the naming of the electronic prior authorization transactions for the pharmacy benefit.

States have been/are publishing their own regulatory requirements.

DSMO Change Request 1189 was filed, approved by DSMO.

NCPDP

The "Ask" (Letter to NCVHS January 13, 2014)

NCPDP followed the Health Insurance and Portability Act of 1996 (HIPAA) regulatory process steps (DSMO/NCVHS) because it appeared this is where the transactions would fall. It is confusing to the industry to separate the SCRIPT Standard transactions into those that are named in MMA and those that are named in HIPAA but this appeared to be the course.

> **Our goal is to be able to use the NCPDP SCRIPT Standard Version 2013101 and still be in compliance with HIPAA requirements. The method for maintaining and modifying standards for electronic prescribing is successful in its efficiency, expediency, and how the industry is kept abreast of effective dates. We would recommend that the NCVHS recommendation to OESS, allow that in the use of the NCPDP SCRIPT Standard Version 2013101 prior authorization transactions, the method for maintaining and modifying the standard be kept as intact as possible.**

The HIPAA process thus far has not provided any regulatory flexibility. It was thought the ACA section on Administrative Simplification would allow flexibility, but it appears it only applied to the first set of operating rules, and not future standards or operating rules.

NCPDP

The "Ask" (Letter to NCVHS January 13, 2014)

Seeking NCVHS recommendation based on DSMO recommendation, that will provide OESS the ability to continue to explore options to meet our overall goal:

To name the NCPDP SCRIPT Standard Version 2013101 Prior Authorization transactions only, for the exchange of prior authorization information between prescribers and processors for the pharmacy benefit *and to do so under the appropriate regulatory process that would provide flexibility for industry support*.

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Electronic Prior Authorization Transactions in SCRIPT Standard

- Supports an electronic version of today's PA process (i.e., PBM/payer provides prescriber with a set of questions they must answer for PA consideration) covered by pharmacy benefit

- Provides a standard structure for exchanging the PA questions and answers between prescriber and payers, while allowing for payers to customize the wording of the questions

- Additionally supports elements that allow for automation of the collection of data required for PA consideration (i.e., coded references for each question (e.g., LOINC, SNOMED, CDA template) allowing an EMR vendor to systemically pull data from patient's medical record)

- Supports both a solicited and unsolicited model

- Reuse of SCRIPT functions, elements, exchanges
    - Definitions for common elements: Header, Patient, Prescriber, Pharmacy, Medication Prescribed, Benefits Coordination
    - Attachments
    - Acknowledgement transactions: Status, Verify, and Error

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Electronic Prior Authorization Transactions in SCRIPT Standard

PAInitiationRequest/Response (used in the solicited model only)
   Prescriber requests the information required to accompany a PARequest for a particular patient and medication.
   PBM/payer responds with the information required to accompany a PARequest or an indication a PA isn't required for the patient and medication.

PARequest/Response
   Prescriber sends the information requested in the PAInitiationResponse (solicited model) or information agreed upon outside of the PA transactions by the trading partners (unsolicited model).
   PBM/payer responds with PA determination status (e.g., approved, denied, pended, more info required) and details specific to the status.
   Repeat request/response transactions when more info required.

PAAppealRequest/Response
   Usage of these transactions is the same as the PAInitiationRequest/Response and PARequest/Response transactions.

PACancelRequest/Response
   Prescriber requests a PARequest that's in process be canceled.
   PBM/payer responds with a cancellation status.

NCPDP

Thank you

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