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Electronic Prior Authorization Update and Attachments

NCVHS Subcommittee on Standards

November 2011

Session II: Claim Attachment Standards and Operating Rules: Current Developments and Future Directions

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What is NCPDP?

- An ANSI-accredited standards development organization.
- Provides a forum and marketplace for a diverse membership focused on health care and pharmacy business solutions.
- A member driven organization that has been named in various government legislation and rulings, such as HIPAA and the Medicare Part D Regulation.
- One of several Standards Development Organizations (SDOs) involved in Healthcare Information Technology and Standardization.
- Focus on pharmacy services, and has the highest member representation from the pharmacy services sector of healthcare.
- NCPDP standards are used in pharmacy processes, payer processes, electronic prescribing, rebates, and more.

- NCPDP dataQ™ - provides healthcare stakeholders with up-to-date, comprehensive, and in-depth pharmacy information.
- NCPDP Online - enumerator of the NCPDP Provider ID number.
- HCIdea - NCPDP's relational healthcare prescriber database of over 2.1 million prescribers created for the industry, by the industry.
- RxReco*nn*™ - NCPDP's legislative tracking product.

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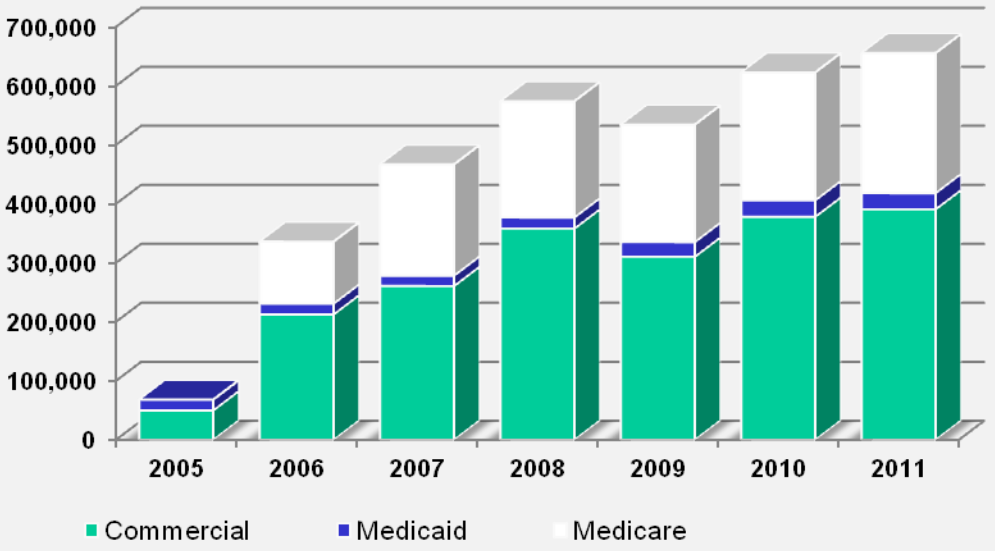
Growth in PA (2005 – 11)

- Advances in medication therapy management, biotechnology, designer drugs, specialty pharmacy, and the cost of the pharmacy benefit, has increased the number of PA'd medications
- From 2005 to 2011, the number of prior authorizations have increased nearly six-fold.
- Among commercial plans, the number of PAs have increased dramatically.
- Among *Medicaid* programs, the number has been fairly consistent.
- The largest jump in *Medicare* was after the Part D program was introduced in 2006.



Source: MediMedia analysis of formulary database, October 2011

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Impact of Prior Authorization

Patient hassle and treatment delay

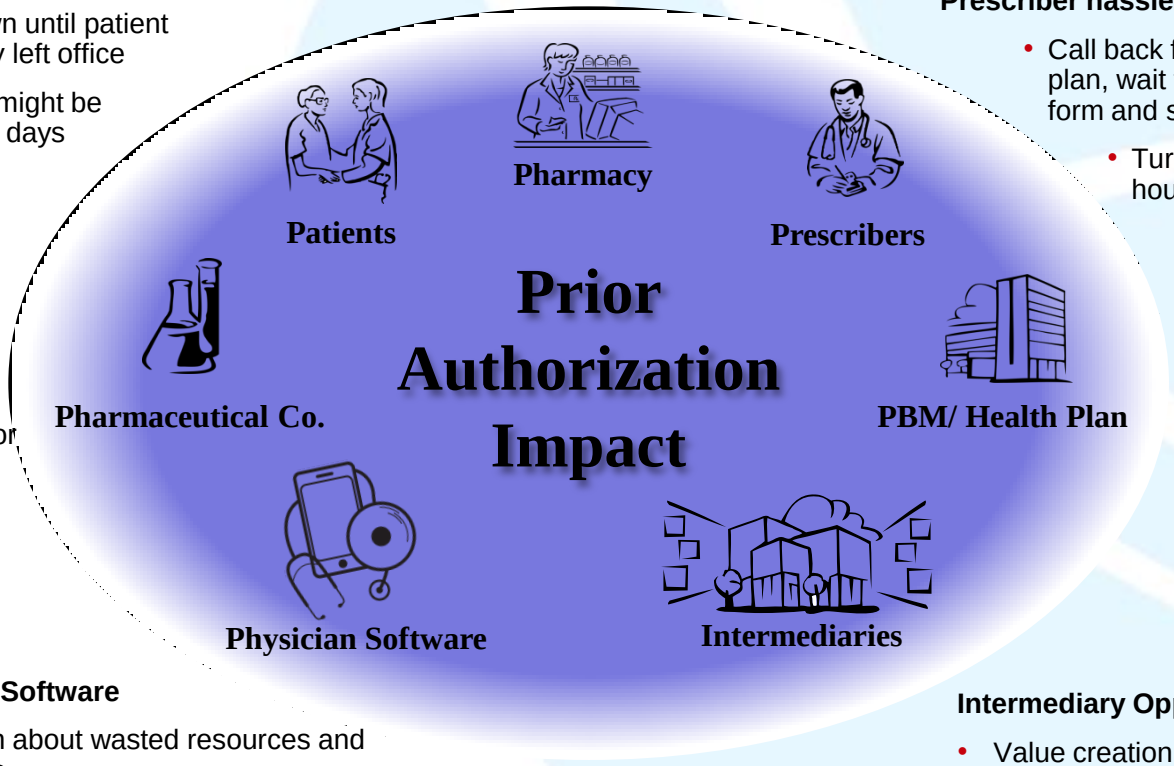
- PA unknown until patient has already left office
- Treatment might be delayed for days

Pharmacy hassle

- Pharmacy must call prescriber's office, and sometimes the plan

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



Pharmaceutical Co

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

PBM/Health plan efficiency

- Expensive and labor intensive process that creates animosity

Physician Software

- Concern about wasted resources and priorities
- New complicated transactions and changed workflow

Intermediary Opportunity

- Value creation in connecting partners
- There are questions of priority, however

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Electronic Prior Authorization Milestones

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.

Aug 1996

HIPAA passes
- X12 278 named "prior authorization" transaction standard

Nov 2004

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

2006

MMA ePrescribing Pilot Tests
- "Menagerie of ePA standards" pilot tested
- One standard – not X12 278 -- recommended

2008

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

2009

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

2011

Renewed Interest
- More pilots
- Economic value
- State legislation

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Where We Are (per ONC)


U.S.Department of Health & Human Services www.hhs.gov

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E-Prescribing and Standards for E-Prior Authorization

May 2, 2011, 9:09 am
Dr. Doug Fridsma / Director Office of Standards and Interoperability

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Recently, colleagues have raised questions about pending state legislation related to electronic prescribing (e-prescribing) and in particular the concept of electronic prior authorization (ePA) for medications. We thought it would be helpful to discuss what we know about the current state of e-prescribing and ePA. E-prescribing provides significant advantages in contrast to its paper analog. Coupled with other complementary technologies, such as drug-drug interaction checking, e-prescribing can improve patient safety, increase prescribing accuracy and efficiency, and lower costs by notifying providers of generic or preferred drug list alternatives.

Over the past three years, Congress has signaled its support for e-prescribing by promoting its use in two major laws: Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) and the Health Information Technology for Economic and Clinical Health (HITECH) Act. The HITECH Act covers certain eligible professionals seeking to become meaningful users of certified electronic health record (EHR) technology in the Medicare and Medicaid EHR Incentive Programs. The HITECH Act specifically identified e-prescribing as a requirement for eligible professionals participating in the EHR incentive programs, and therefore it is part of the "core set" of meaningful use objectives and measures (which also includes objectives and associated measures for using computerized provider order entry [CPOE], maintaining active medication and medication allergy lists, and implementing clinical decision support). MIPPA focuses on Medicare eligible professionals to encourage e-prescribing with a separate incentive program requiring use of a qualified e-prescribing system. Below are a few points that address some of the questions raised by our state colleagues as they consider e-prescribing related legislation.

- It is useful to keep apprised of the technical requirements (capabilities and technical standards) that are currently part of Federal health IT programs to ensure consistency and avoid potential conflicts.
- While ONC requires as a condition of certification (for the purposes of meaningful use) that EHR technology be capable of generating and transmitting electronic prescriptions, certification does not require that EHR technology also be capable of performing electronic prior authorization.
- 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. We understand that these are draft standards that have not yet been tested in pilots and have not been fully "balloted" (voted on) through NCPDP's process or been finalized as American National Standards Institute (ANSI)-accredited standards.
- There is a lack of established and fully vetted standards to support ePA and the current lack of capability to support ePA in implemented EHR systems. Therefore, requiring real-time electronic prior authorization as a prerequisite technical capability before health care providers could e-prescribe and/or access drug formulary information may be difficult to implement, and could otherwise prevent providers from being able to e-prescribe. If such requirements prevent providers from being able to e-prescribe, it could also keep them from being able to participate

Highlights

Request for Comment: Federal Strategic Plan to Reduce Health IT Disparities

Working to ensure all Americans benefit from health IT is one of the principles guiding the development and execution of the Federal health IT strategy. ONC wants to hear your feedback on the Federal Health IT Strategic Plan.

Learn More >

Beacon Community Program

Read updates from ONC's Beacon Communities about how they are helping providers transition to electronic health records. Beacon Communities serve as examples of health

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"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."

"Therefore, requiring real-time electronic prior authorization as a prerequisite technical capability before health care providers could e-prescribe and/or access drug formulary information may be difficult to implement, and could otherwise prevent providers from being able to e-prescribe. … it could also keep them from being able to participate in the incentive programs noted above."

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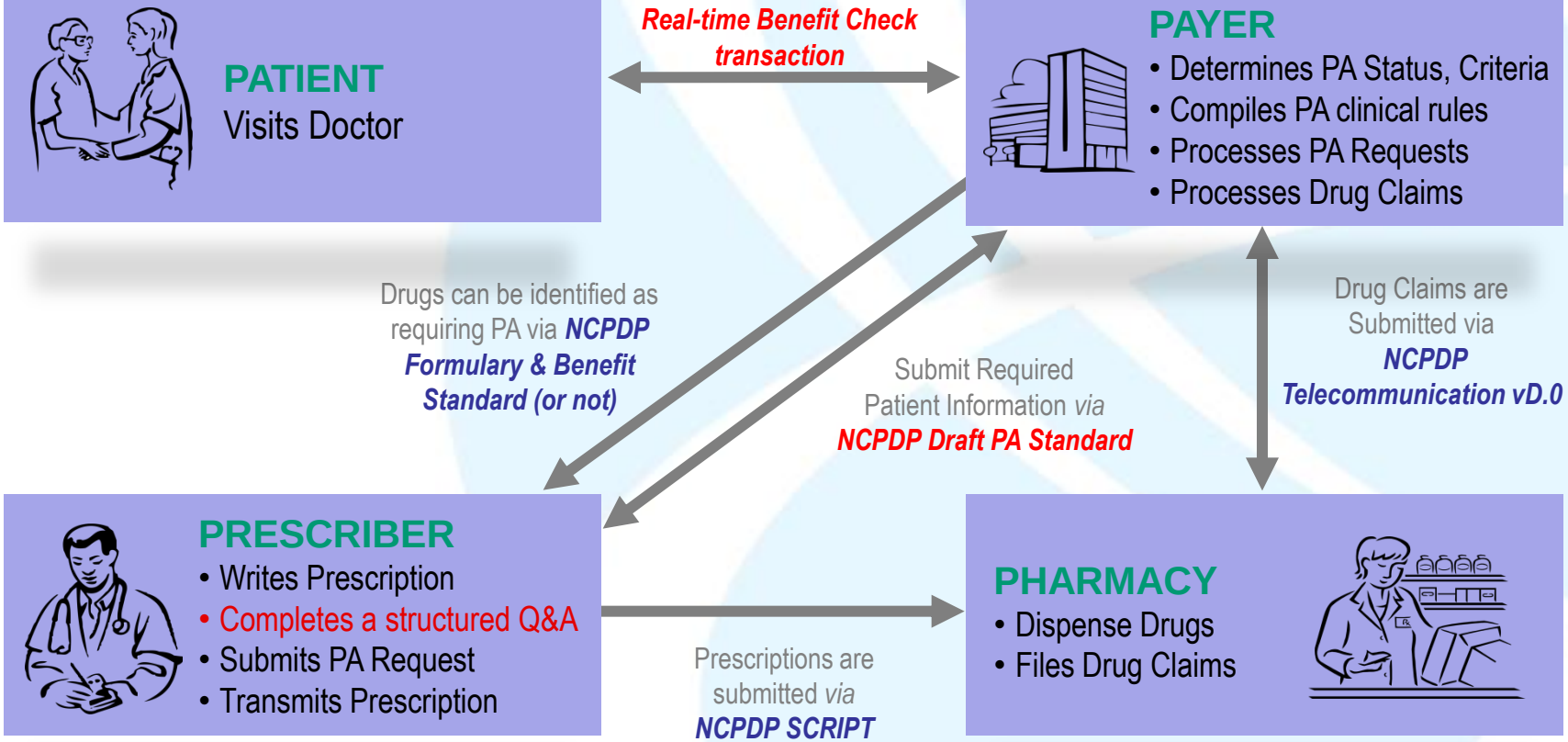
Proposed Standard



Red *= gaps in existing standards* ***Blue*** *= existing standards*

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NCPDP Facilitated Focus Group

Date/Location	October 6, 2011 | NCPDP Headquarters, Scottsdale, AZ
Objectives	• To identify basic needs and issues for the industry related to electronic Prior Authorization. • To implement a pilot project that uses the NCPDP standards that will address the concerns of all affected parties. • To come away from this meeting with a basic project plan to create an ePA pilot.
Organizations Participating	<u>PBMs/Payers</u> • CVS Caremark, Express Scripts, Medco, Catalyst, Argus, SXC <u>Vendors</u> • DrFirst, CoverMyMeds, Armada, Agadia, Ibeza, RxEOB <u>Intermediaries</u> Surescripts, Emdeon, RelayHealth <u>Physicians/Organizations</u> AMA, Am College of Rheumatology, Heart & Vascular Center of Arizona <u>Government</u> CMS, AHRQ, Minnesota Department of Health <u>Other</u> Pfizer, Lilly, Center for Healthcare Transformation, AMCP
Facilitator/ Speakers	• Rick Sage, VP Clinical Services Emdeon; Co-Chair, NCPDP Workgroup 11 – ePrescribing & Related Transactions • Tony Schueth, CEO & Managing Partner, Point-of-Care Partners; former leader, NCPDP ePA Task Group

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Three Pilots, One Live Program Discussed

CVS CAREMARK Allscripts

- Prospective vendor integration where PA is completed *within* the eRx process, *before* the patient leaves doctor's office
- Chose not to use NCPDP ePA draft standard although used elements
- Leverages the Real-time Benefit Check
- SCRIPT RxChange planned to be used for retrospective PA.
- Go-live planned for January, 2012 with Allscripts (other vendors to follow)

HUMANA Agadia

- Prospective orientation where PA is completed *within* the eRx process, *before* the patient leaves doctor's office
- Will use the NCPDP ePA draft standard
- Intent is to use ePrescribing software partner but vendor not announced
- Target is 4Q2011 for Phase 1 and 2Q2012 for Phase 2

RelayHealth covermymeds

- PA can be initiated before or after the claim rejection at the pharmacy (which is after leaving the physician office)
- Uses NCPDP Telecommunication Standard D.0 from pharmacy
- Will use the NCPDP ePA draft standard if applicable

medco

- Retrospective orientation where PA is addressed *after* eRx is received (and it is determined that PA is required)
- Case/secure link is created, sent to physician via existing channel
  - Portal log-in not required
- Interim solution using NCPDP SCRIPT Change & Status functions

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Action Items

- Update the ePA diagrams from the focus group to include the new entry points from the previous slides' participants and use as starting points for NCPDP Task Group
- Two entities to compare the XML transactions and bring forward to NCPDP Task Group
- Re-form the NCPDP ePA Workflow to Transactions Task Group based on the newly refocused industry efforts
- Share draft real-time benefit check documentation with the Task Group
- Pilots to proceed and bring forward their findings to the Task Group
- Proceed with analysis of standards needs in the Task Group

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Attachments used in Pharmacy Industry Processing Standards

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Query Transactions

- **Query** transactions between entities, such as pharmacy and prescriber, for patient-centric clinical health information such as
  - Allergies
  - Conditions
  - Medical histories
  - "All clinical info"
- The clinical information is exchanged using industry standards that are currently in use within the medical community –
  - ASTM's Continuity of Care Record (CCR) and
  - HL7 International's Clinical Document Architecture (CDA) with the specific template of the Continuity of Care Document (CCD).
- The CCR or CDA documents may be attached to an NCPDP Clinical Info Response – either as an original Clinical Info Response or sent as a follow-up in a subsequent Clinical Info Response transaction.

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Medication Therapy Management and other Patient Care Services

- MTM Service Request and Response transactions
  - Payer requesting pharmacy, provider to accept a patient for MTM Service
  - Includes type of service and targeted type of service if applicable
    - Terminologies being developed
  - **May include clinical information attachment using the same attachment structure as the Query**
  - Pharmacy or provider responds back with acceptance or denial
- Billing for service is named under HIPAA
  - NCPDP Telecommunication Standard
  - ASC X12 837 Technical Report 3
- MTM Service Documentation transaction for providing service documentation, reported either before or after the service billing
  - Separating the billing function from the service documentation function
  - **May include clinical information attachment using the same attachment structure as the Query**

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Thank You

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