HIT Perspectives
Perspectives and Updates on Health Information Technology

Electronic Prior Authorization

Electronic Prior Authorization for Medications: A Noteworthy Advancement for Payers and Pharma
By Tony Schueth, Editor-in-Chief

Now is a traditional time to take stock of where we are and where we are going. We at Point-of-Care Partners (POCP) believe that increased use of prior authorization (PA) for medications is a major trend for 2012. We also believe that payers and pharmaceutical manufacturers should be preparing to embrace a related development that is in its formative phases: electronic prior authorization (ePA) of medications, a standardized electronic process that improves the efficiency of the PA process.

You can find all the details in our new white paper, *Electronic Prior Authorization For Medications: The Time Is Right For Plans, PBMs And Other Payers,* here.

Why is PA a trend to watch?…

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HIE Sustainability

HIE Sustainability Fears Hold Back Stakeholder Participation
By Ed Daniels

Health information exchanges (HIEs) represent a real challenge for health care stakeholders, including physicians, hospitals, health plans and pharmaceutical companies. On one hand, they feel pressure to establish relationships with HIEs sooner rather than later because the health care environment is becoming increasingly digital and new payment and delivery models require the sharing of data electronically. On the other hand, are HIEs really ready? Real and widespread concerns about the sustainability of HIEs are keeping these stakeholders from engaging. After all, nobody wants to spend valuable time, effort and money with an entity that may not survive. So, what to do?...

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mHealth

mHealth and Health plans: 10 Reasons to Engage Now
By Brendan McAdams and Ed Daniels

It seems like everyone has a mobile device and is doing more personal business with it, from banking to enrolling kids in dance class to checking in with the office. The numbers back it up. There are more than 170 million mobile subscribers in the United States, and smartphone sales accounted for greater than half of all sales in first quarter of 2011. Those numbers are expected to grow exponentially.

The mobile device market targeted to the health care sector (mHealth) is exploding as well. Many mHealth applications (apps) are being developed that will allow health plan members to take care of business 24/7, anytime, anywhere—and provide more efficiencies and cost savings for the plans. Yet mHealth often is at the bottom of the to-do lists of health plans, which cite other, more critical issues with which to contend.

To get the conversation going in the C-suite, we at Point-of-Care Partners (POCP) have compiled 10 reasons why health plans…

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Research shows that the number of instances for which a formulary drug requires PA has doubled in the past six years. That percentage should continue to grow significantly due to increased use of PA as a cost containment mechanism, what with the advent of accountable care organizations and the need to rein in public and private-sector health care spending. PA undoubtedly will play a bigger role in Medicare Part D plans. In addition, other drivers will boost the use of PA, including advances in medication therapy management, biotechnology, designer drugs and specialty pharmacy.

While PA may contain costs, the current process is typically time consuming, expensive and frustrating for both providers and payers, remaining stubbornly mired in an antiquated, paper-based process while the health care world rapidly goes digital with more than half of eligible prescribers doing so electronically.

This is why current efforts to create an ePA process for medications are of immediate importance to both payers and pharmaceutical manufacturers. Although more work needs to be done, these two stakeholders can take advantage of this time to develop adoption strategies that will meet the needs of coming, more complex medicines of the future, promoting appropriate use while minimizing administrative costs. Equally important, the efforts invested today can deliver immediate and substantial benefits for all stakeholders while providing a migration path to more integrated, automated and comprehensive solutions that take greater advantage of evolving industry standards.

For payers, ePA shows promise for benefits to be gained through better member care and satisfaction, increased goodwill with providers and operational efficiency. These will combine to build a business case that dovetails with the industry's increasing willingness to adopt a better—and more completely electronic—solution.

For pharmaceutical manufacturers, ePA for medications represents an opportunity to identify appropriate patients for a designated drug while reducing approval obstacles for physicians. As more complicated medications come to market, the more physicians and plans will be needed to identify appropriate patients. ePA also represents an opportunity to bring PA criteria used by processors out in the open for discussion and comparison, without the worry of prompting physicians with the answers needed for approval.

HIE Sustainability

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By Ed Daniels

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All too often, Point-of-Care Partners (POCP) sees stakeholders slamming the door on all HIEs in the face of uncertainties about their sustainability. However, stakeholders shouldn't be so hasty to paint all HIEs with the same brush. The trick is knowing what's going on with specific HIEs and carefully evaluating them with respect to their sustainability and the perspective of a stakeholder's unique organizational goals.

Savvy stakeholders know that not all HIEs are created equal. Although about 12% are currently financially viable beyond the initial start-up money from the federal government, many other HIEs are becoming stronger every day. Those that are drifting or failing to launch will leave their market areas underserved. This will open the door for other, more successful HIEs to swoop in and provide services.

But what makes a successful HIE? A recent study from the National eHealth Collaborative, developed with POCP assistance, (see report here) found that successful HIEs engage in one or more of the following activities:

- Creating innovative "premium" services beyond those provided under a basic subscription, such as analytics, accountable care organizations support services, medical images repositories and patient portals
- Serving as a reliable, neutral entity that values protecting patient information and the interests of its participants above all else
- Developing a sophisticated system of metrics and the capability to perform the quality improvement projects needed to improve performance measured by those metrics
- Creating a for-profit subsidiary for particular ventures, such as licensing intellectual property

Through this research, we found extreme diversity in business operations and philosophy. We also found one consistent element in every successful HIE: taking a hard-nosed business approach in decision making. Successful HIEs consider financial risks and rewards for every new proposed line of business and only embark on those that are financially viable or strategically essential. Perhaps even more important, they continuously review their existing services and reduce or eliminate those that are not contributing adequately to their bottom line.

That is why POCP suggests that any health care organization, big or small, needs to carefully evaluate each of the HIEs operating in their market. If you are a payer, provider, vendor or pharmaceutical manufacturer, you should get to know each HIE in your market area. You should meet the leaders and get to understand its business model. It takes in-depth knowledge and close examination to make the judgment to engage or to sit back and wait for more information. If you need assistance with this process, please e-mail or give us a call.

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need to stop watching from the sidelines and get into the mHealth game:

10 – Health Insurance Exchanges (HIXs): Though not slated to begin until 2014, HIXs will create a completely new market dynamic that health plans will need to address. There have been estimates of as many as 50 million individual consumers entering the market by 2017, creating a demand for new marketing and customer care approaches. Successful plans will benefit from innovative consumer-centric approaches to reach this new market, and mHealth—through mobile applications, communications and media strategies—provides inventive patient-friendly tools. Consider what Geico, Amazon and American Express are doing to serve their customers and promote their brand, translate that to what individual health insurance consumers will need, and you've the idea.

9 – Direct-to-Consumer Marketing : mHealth offers health plans an even better tool for reaching out directly to prospective members with an engaging, two-way, anywhere, anytime communication channel. mHealth-based solutions provide the ability to reach and engage members and potential members in a more meaningful way and at a dramatically lower cost than the carpet-bombing television and print ad campaigns like those of Claritin®, Zyrtec®, Viagra® or Cialis®, which were nevertheless successful.

8 – Health Plan Content: Companies like StayWell, WebMD and Healthwise have thrived by selling health plans all sorts of health and wellness content, much of it quite good. Unfortunately, it is invariably buried behind a firewall and stored safely at www.generichealthplan.com, where it can be accessed by only a very small percentage of the membership. mHealth means that health plans can push that content out from the storage shelves and into the hands of members when and where they need it.

7 – Upheaval and Competition: Patient-centered accountable care, including accountable care organizations and patient-centered medical homes, is on the rise and will impact care and reimbursement nationwide, both in the public and private sectors. Health plan-based mobile applications and content can help educate and assist members in effectively navigating this changing care environment. This allows the plan to deliver value as a trusted advisor and establish itself as an engaged advocate and resource on the member's behalf, as well as potentially influence patient behavior.

6 – Brand Development: In today's world, members seldom engage with their health plan beyond open enrollment, unless they are dealing with the traditionally onerous mission of trying to resolve an unpaid claim. mHealth provides a new and growing avenue for health plans to develop brand awareness strategies and enhance that awareness by establishing two-way conversation with members. By leveraging this widespread and ever-present computer-based alternative, ensuing mHealth campaigns and programs can be quantitatively evaluated and measured against market share, customer satisfaction, cost reduction and improved outcome targets.

mHealth

5 – More Efficient Outreach and Plan Interaction: At a time when consumers are checking account balances, buying movie tickets and booking restaurant reservations on mobile devices without speaking with a live person, health plans are still driving members to Web sites and call centers to resolve issues and understand their coverage. Why can't a member leave a physician visit and get a secure message on his or her mobile device providing an explanation of out-of-pocket expenses, deductible balance and other pertinent information? If a specialized follow-up procedure is required (e.g., MRI, lab test), why can't a mobile device present health plan recommendations about where to go to receive in-network, low-cost, high-satisfaction care, along with scheduling options and directions? mHealth applications can preempt problems, drive better behaviors, improve the member experience AND avoid the associated call center cost.

4 – Immediate Feedback: Most health plans have no visibility into the customer's mind, intention or level of satisfaction until open enrollment comes back around. mHealth, when properly executed, can give health plans critical visibility into the buying preferences and decision criteria of members. Through dyanamic messaging, member-specific health assessments, event announcements and customer feedback queries, mHealth gives health plans a window to the real-time member experience to resolve problems and provide service throughout the member's coverage period. This can go a long way toward ensuring a positive reenrollment decision.

3 – Be Central to the Conversation: The fundamental structure of health care in America is being redefined. The role of the health plan in this new structure will change dramatically. Health plans can use mHealth to remain central to the conversation and add value in ways that are visible and valuable to members and providers. Effective mobile strategies can drive a tangible, measureable impact that will differentiate the plan, create adhesion and engagement, and make evident the substantial value contributed by health plans.

2 – Access to Members: Basic to all of the above is mHealth's promise to provide health plans a way to engage and interact with members when and where it matters most. Unlike the tethered-to-the-wall or even wireless network of the computer, mobile devices allow for an essentially infinite range of new opportunities to deliver content, care, coaching and other services. These can be an important adjunct to face-to-face interactions with clinicians, who cannot be with their patients on a 24/7 basis. For example, virtual "coaches" can positively affect management of chronic conditions and help promote healthy behaviors, such as helping patients adhere to medication and exercise regimens. mHealth also shows early but encouraging promise for delivering critical clinical, administrative and other information to hard-to-reach members, such as those with disabilities and chronic illnesses.

1 – mHealth Is Inevitable: The explosion of mobile computing is overwhelming, revolutionary and obvious. And it's not limited by age, demographics or geography. The use of smartphones, tablets and dedicated point solution devices is becoming ubiquitous and intensive. Any organization that is not soon immersed in this technology will rapidly become irrelevant in the day-to-day lives of consumers.

Some health plans are moving quickly, making acquisitions and developing their own

mHealth

mHealth apps, while others are in the strategic development stage. POCP believes those health plans not yet actively formulating a mHealth strategy risk being left behind and facing a fast-moving future at a significant competitive disadvantage. If we can help your health plan think through or review an existing mHealth strategy, give us a call.