Breakthroughs and Hot Topics in Real-Time Benefit Checks and ePrior Authorization Advancements

CBI Real-Time Benefit Check and ePrior Authorization Conference
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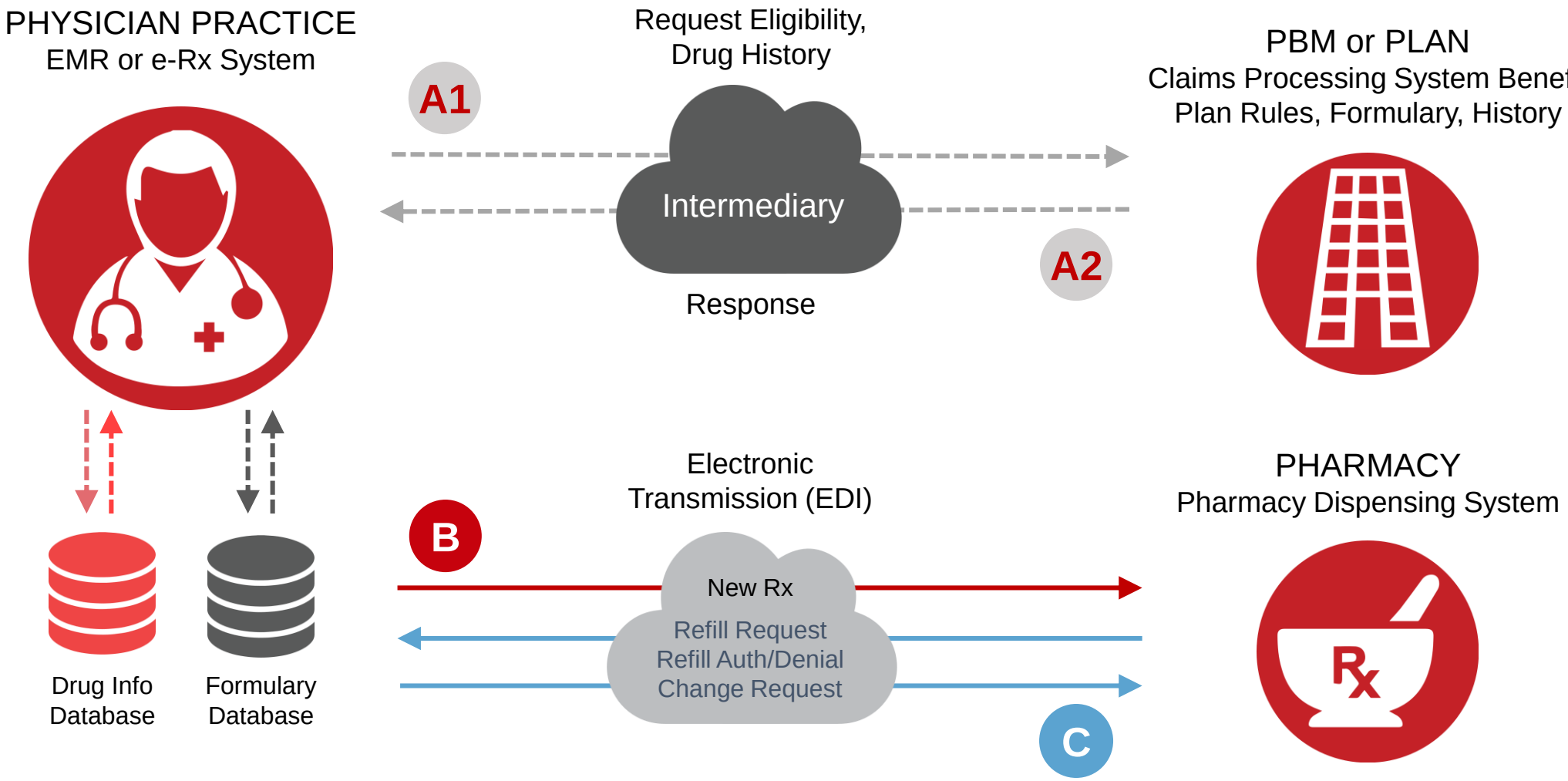
Current ePrescribing Flow



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

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

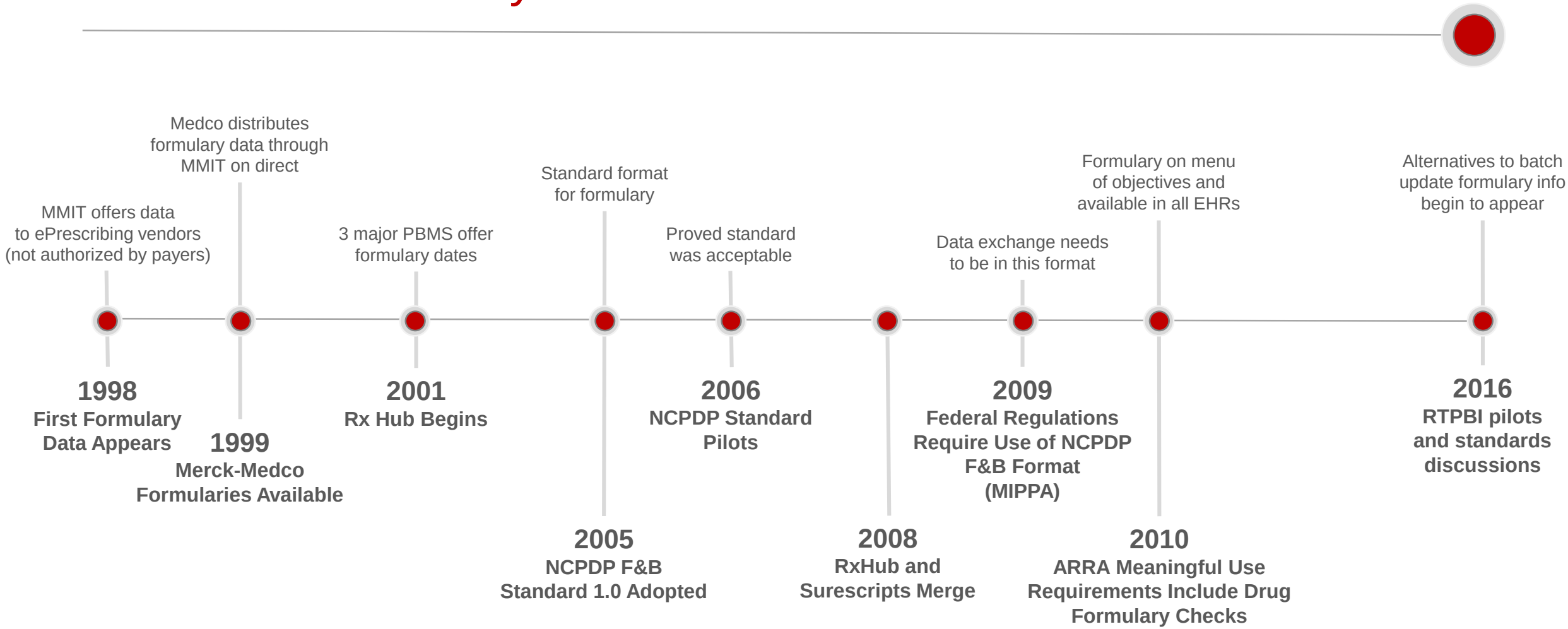
Opportunities exist to integrate utilization management tools within EHRs and ePrescribing workflow for both specialty and non-specialty medications

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
- Advance industry use of **real-time benefit inquiry**
- **Streamline ePA process** to help increase adoption

Electronic Formulary Historical Timeline



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

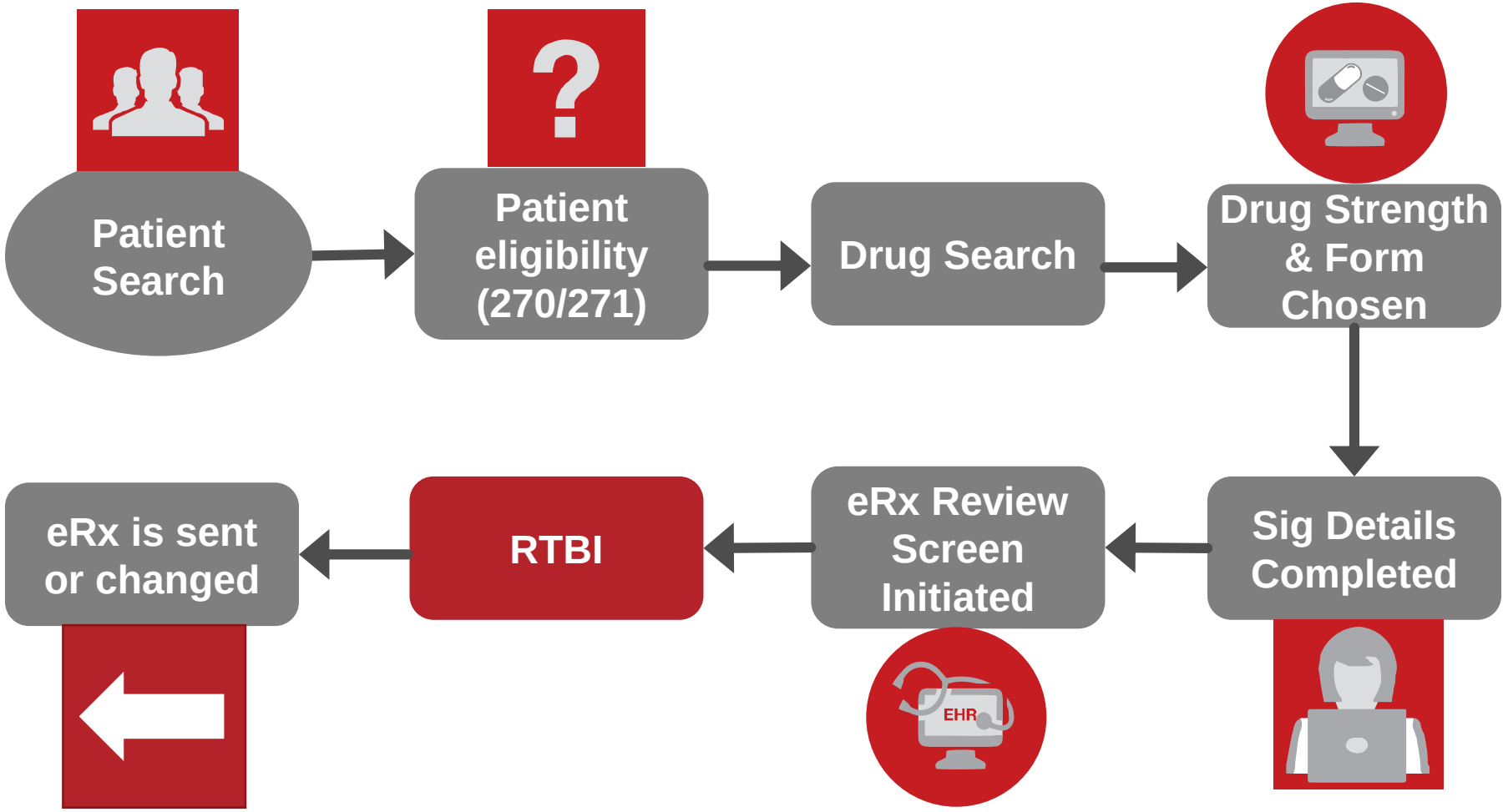
Inclusion of PA flag is inconsistent across data. A missing flag causes a prescription to be sent to the pharmacy without the required PA

Real-Time Pharmacy Benefit Inquiry Today

One Target, but currently many paths…

- **NCPDP workgroup efforts**
  - Use Cases completed
  - Upcoming focus is on standard development process
- **Existing Products**
  - myBenefitCheck: Modification of D.0 Telecommunications standard
  - Patient Medication Benefit Check: Modification of SCRIPT standard
  - Proprietary connections

RTBI in e-Prescribing Workflow



RTPBI Response data elements

Initiate RTPBI Request

Intermediary

RTPBI Response

PBM/Payer

- **Prescription covered by benefit:**
  - Patient financial responsibility
- **Prescription not covered by benefits:**
  - Reason for Denial
  - Alternatives
  - Coverage Limits
  - PA required
  - Step therapy
  - DUR alert

RTPBI: Benefits and Limitations

Benefits

- **Transparency**
  - Provides **patient-specific benefit information** to help provider make informed decisions at the point-of-care
  - Identifies cost barriers before patient arrives at pharmacy
- **Clinical Outcomes**
  - Improves **formulary adherence** by knowing drug coverage
- **Consumer Experience**
  - Improves **speed to therapy** by reducing prescription delays and claim denials

Limitations

- **Scope of Information**
  - Provides benefit information **for prescription benefit only –** no medical coverage
- **Benefit Plan Complexity**
  - Complexity of prescription benefit plans may be **difficult to communicate** (e.g., limited networks, lock-in, etc.)
- **Eligibility**
  - Limited options for intermediaries and/or solution providers as an **eligibility check is still required**

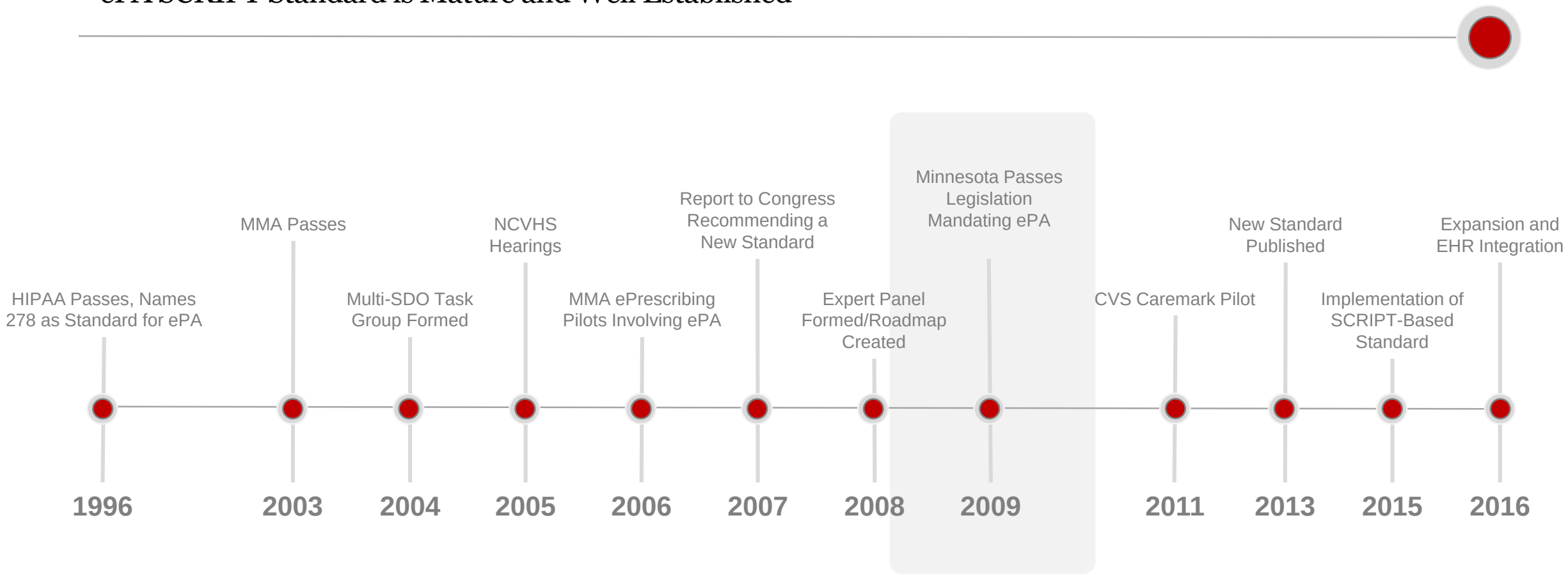
RTPBI Considerations, Drivers and Future

- Innovators/Early Adopters will help determine the value and lessons learned/best practices
- There are costs to both the payers/PBMs and EHRs
- We need both F&B and RTBI
- How can we move Hub services to POC?
- Can we integrate EHRs with Hubs?
- What will drive wide-spread adoption of RTPBI?
  - Regulations
  - Business model

Prior Authorization Today

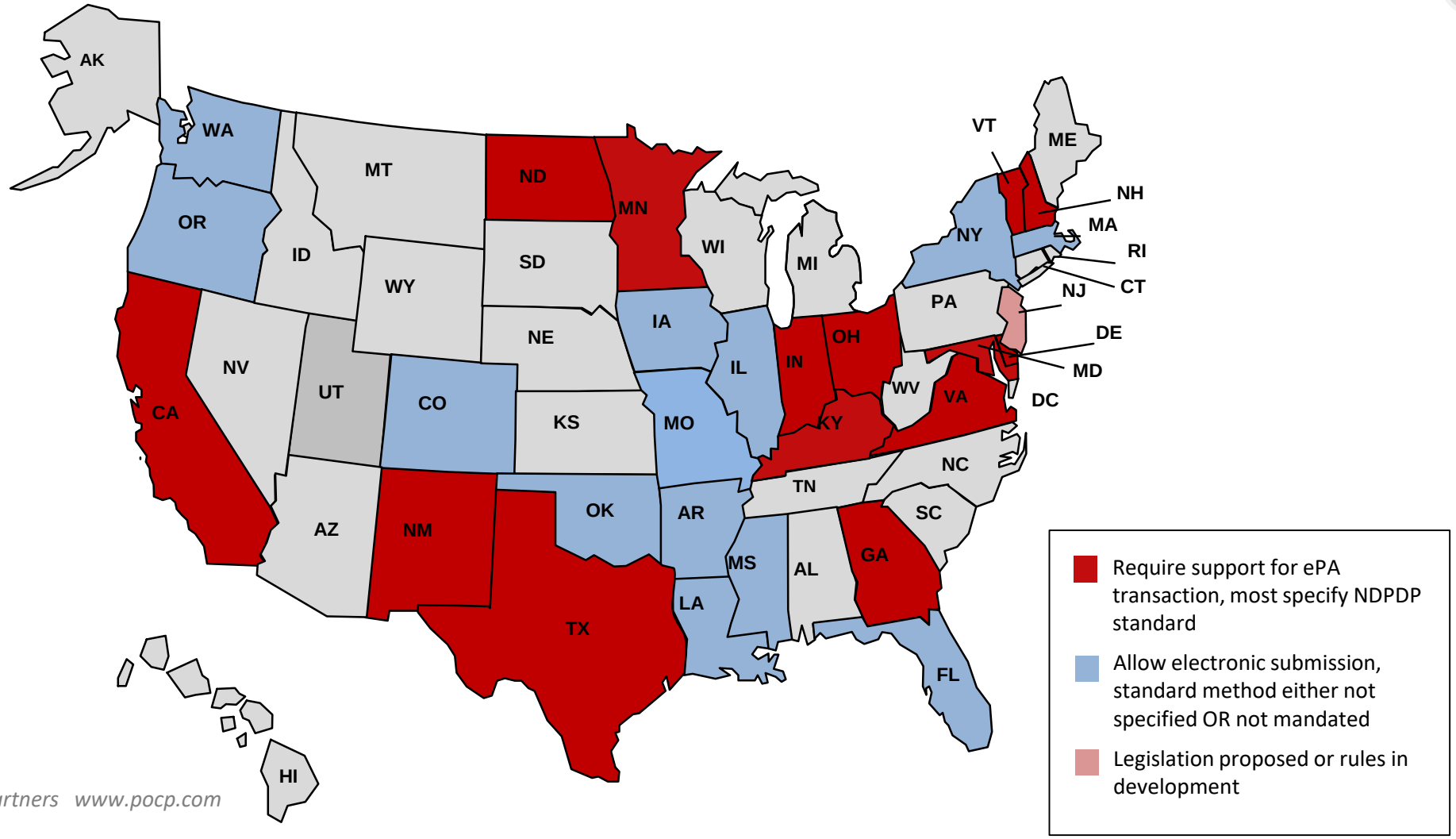
ePA Timeline

ePA SCRIPT Standard is Mature and Well Established



Source: POCP Primary Research

ePA Legislative Drivers



SOURCE: Point-of-Care Partners www.pocp.com
Revised May 2017

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.

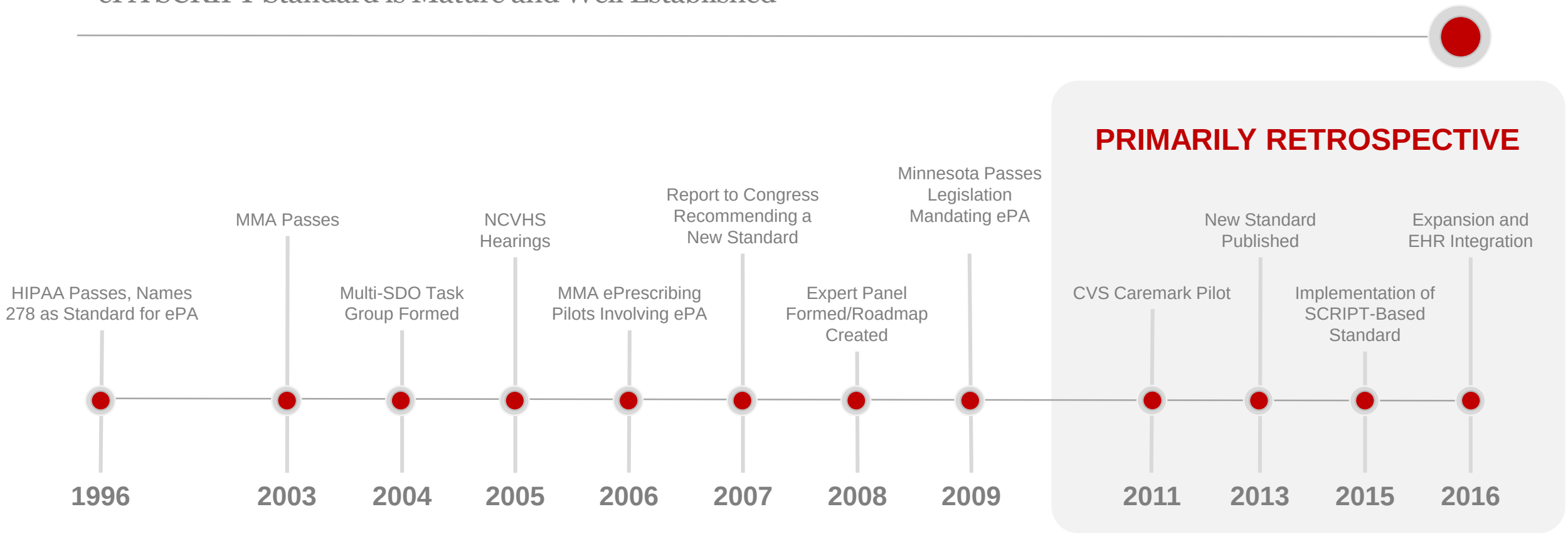
90% AVAILABLE

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

ePA Timeline

ePA SCRIPT Standard is Mature and Well Established



Of physicians surveyed, 1/2 - 2/3 of PA are still completed via phone or fax.
This represents time away from patient care, and higher processing costs for PBMs.

Source: POCP Primary Research

ePA Meeting Expectations?

After years of investment payers still struggle to ensure correct information is available at moment of prescribing to support ePA:

- When prescriber has access to formulary alternatives **57% not using due to trust of data accuracy** alternatives at patient diagnosis and prescribing
- **70% of physician's surveyed do not see a PA required flag** in the ePrescribing application; no trigger to kick off a prospective ePA or to review formulary alternatives

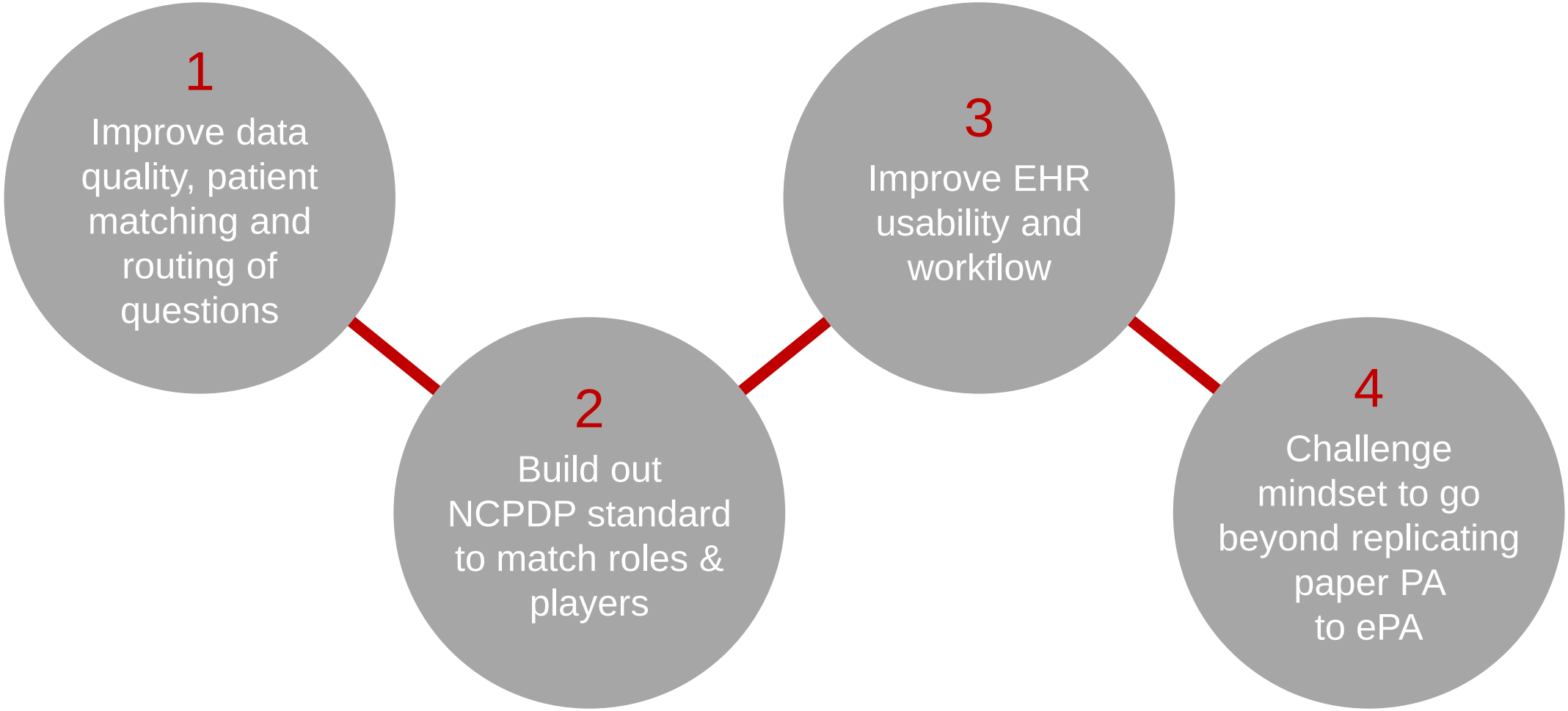
Any delay in therapy adversely affects adherence, patient satisfaction and ultimately **patient outcomes**

- **70% of prescriptions rejected at the pharmacy require PA; 40% of those prescriptions** are eventually **abandoned** due to the complex, paper-based PA process
- The PA process impacts more than 185 million prescriptions each year with nearly **75 million abandoned prescriptions**

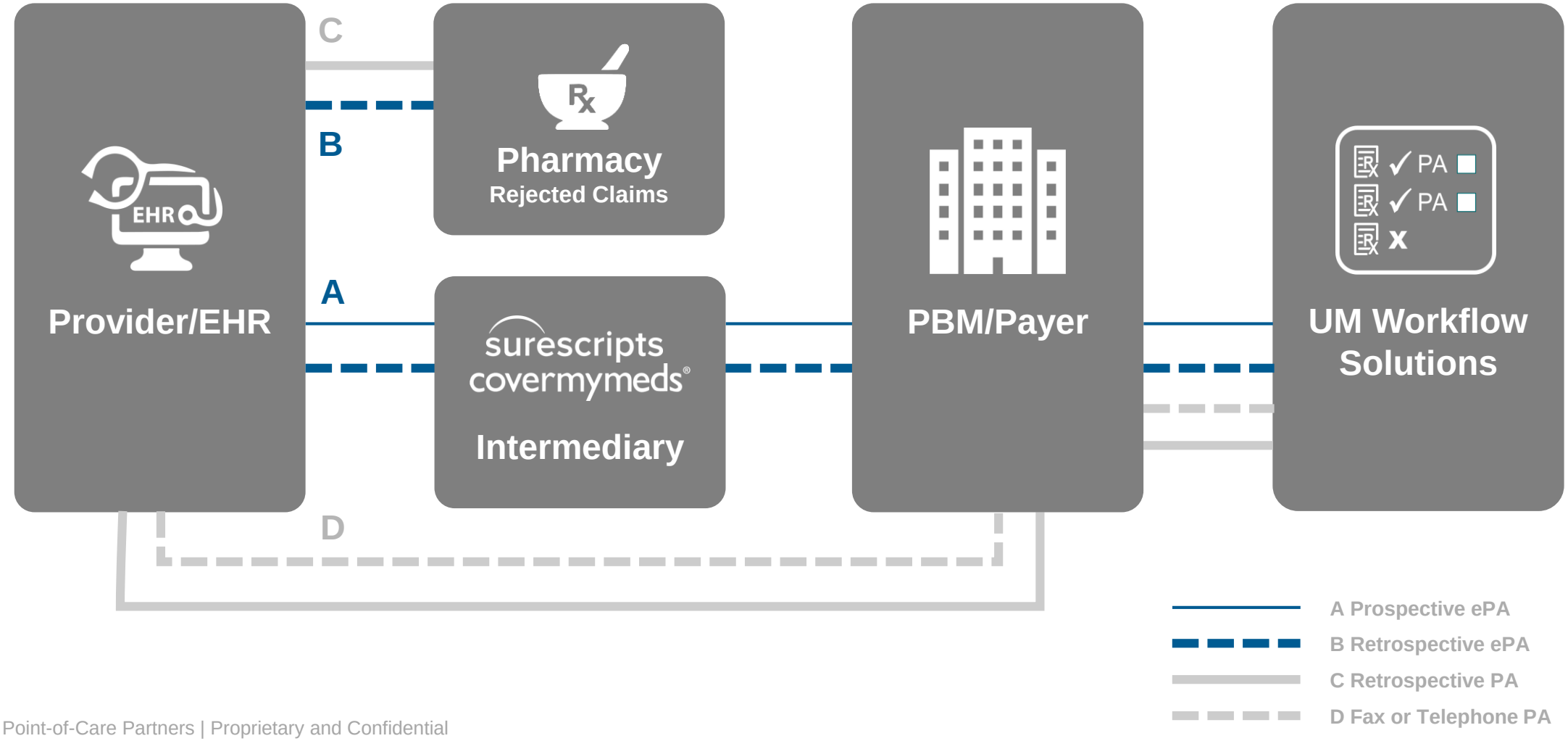
REALITY: three out of four providers still use more than one channel to complete PA requests

Sources: CoverMyMeds, Krieger, 2009; POCP primary research

What are the High Leverage Points for ePA?

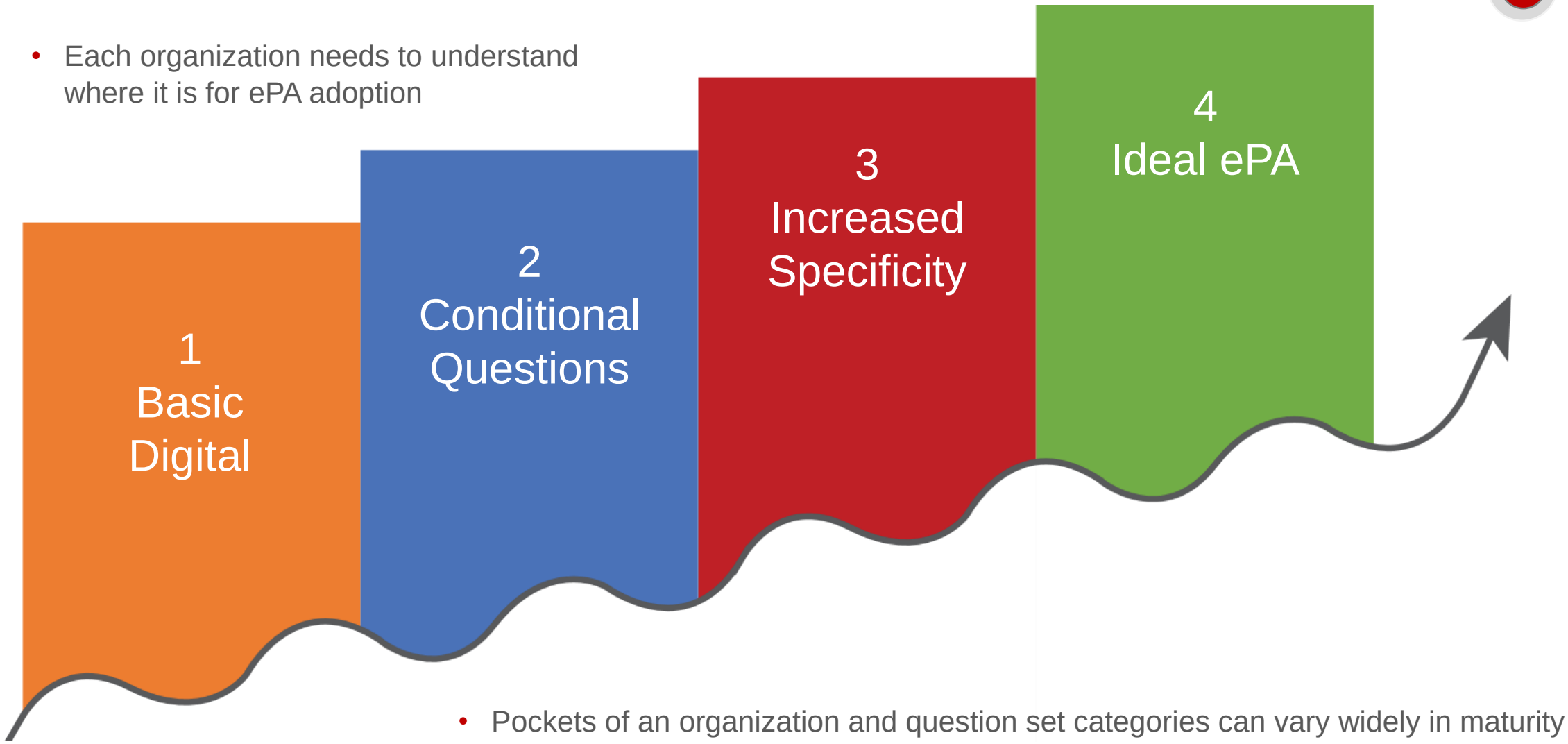


Current State of Prior Authorization



Evaluate ePA Maturity Using Proven Best Practice

- Each organization needs to understand where it is for ePA adoption



- Pockets of an organization and question set categories can vary widely in maturity

Pharmacist-Initiated Electronic Prior Authorization

- NCPDP's ePrior Auth task group is working on a use case of pharmacist-initiated electronic prior authorization requests for drug products for long-term care and in the context of pharmacist access to the appropriate clinical information for the patient.
- Indiana recently enacted a bill (Senate Bill 73), effective 1/1/2018 on electronic prior authorizations for drugs
  - Health plans have to accept and respond to NCPDP-formatted electronic prior authorization requests from a prescriber or from a dispensing pharmacist

1. CoverMyMeds ePA Scorecard report, 2017

AMA's 21 Principles – Health IT Implications

- Framework for PA reform based on *21 Principles*
  - **Principle #9** proposes that utilization review (UR) entities provide and vendors display accurate, patient-specific and up-to-date formularies that include PA and step therapy requirements in EHR systems for purposes that include ePrescribing
  - **Principle #12** proposes that a UR entity requiring health care providers to adhere to PA protocols should accept and respond to PA and step therapy override requests exclusively through secure electronic transmissions using the standard electronic transactions for pharmacy and medical services benefits
  - **Principle #18** encourages UR entities to standardize criteria across the industry to promote uniformity and reduce administrative burdens
- Will improve the accuracy and transparency of formulary and PA decision criteria and spur use of the NCPDP ePA standard

21 Principles will have a profound and sustained impact on the use of EHRs, utilization management, PA and related provider work flows.

AMA's 21 Principles – Stakeholder Opportunities

- **Vendors and Payers**: Hasten efforts to automate ePA
- **Payers**: improve the accuracy/completeness of formulary data, work with EHR vendors to ensure that coverage restrictions are displayed and support the migration of specialty work flows for prescribing and dispensing to NCPDP standards
- **Vendors:** use standardized PA criteria, extract data from the EHR to simplify ePA submissions for providers and display coverage restrictions
- **Pharmaceutical companies**: Work with payers to develop standardized PA questions and encourage use of ePA within EHRs vs. payer portals
  - NCPDP Script standard for pharmacy benefit products and ASC X12 278 for medical benefit products

Thank you

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