2018 ScriptMed Conference

Advancements in Electronic Prior Authorizations Driving Efficiencies in Time to Therapy

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Jason Reed

Tony Schueth

Speakers

Jason Reed, PharmD, is the Director of Product Development at CenterX, a health information technology company offering an enhanced prescribing experience through Real Time Pharmacy Benefit Information and Electronic Prior Authorization.

Anthony Schueth, MS, is the CEO and Managing Partner of Point-of-Care Partners (POCP), a health information technology (HIT) strategy and management consulting firm specializing in the evolving world of electronic health records.

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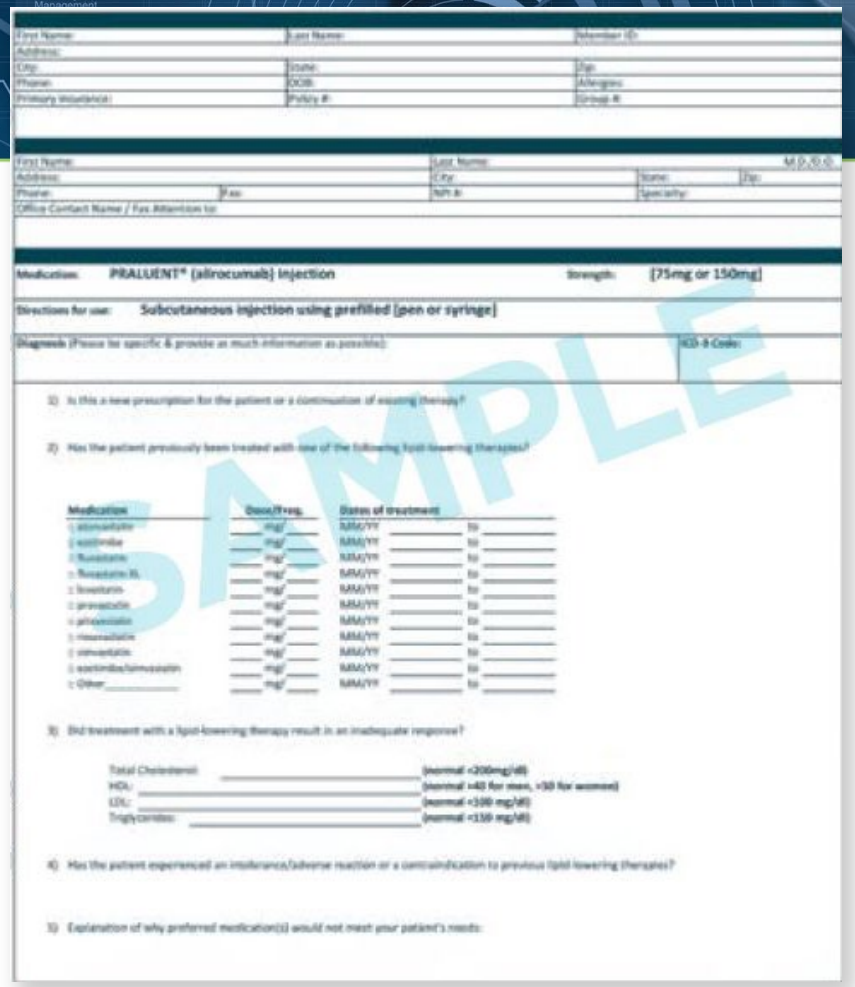
Defining Prior Authorization

Prior Authorization is a tool that:

- Ensures patients are routed to the appropriate and most cost effective treatment option for their diagnosis
- Enables providers to adhere to the latest clinical guidelines and available medical literature in place for a provider and payer organization
- Supports application of consistent criteria across covered patients based upon patient specific clinical findings
- Will undergo transition and focus as Providers and Payers increase shared risk, contract based on value and improving patient outcomes



Example of paper-based PA form

Different Types of Prior Authorization

DRUGS

Covered under Pharmacy Benefit
Covered under Medical Benefit

DEVICES

Pacemakers
Infusion Pumps
Blood Glucose Meters
Nebulizers

PROCEDURES

Radiology
MRI
Endoscopy
Chemotherapy

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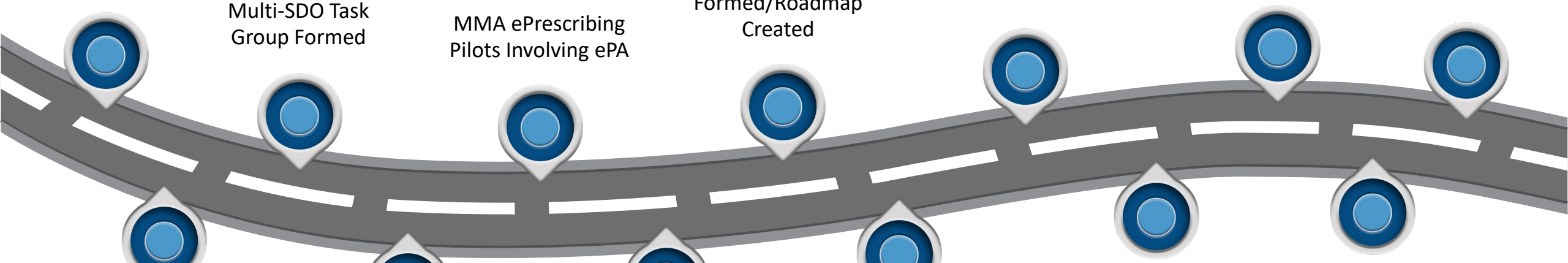
Pharmacy ePA Timeline

ePA SCRIPT Standard is Mature and Well Established



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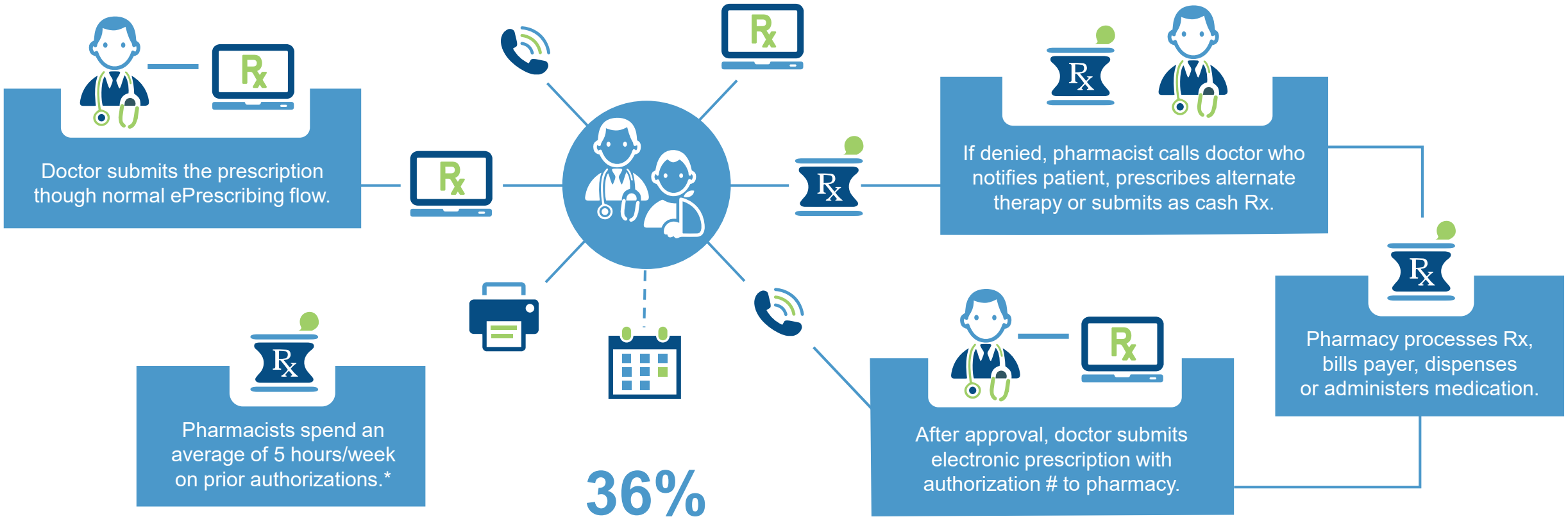
2017-18
Start of integration with EHRs

Source: POCP Primary Research

Manual Prior Authorization

Rx Pended/Manual PA Begins



* Source: 2018 ePA National Adoption Scorecard, CoverMyMeds

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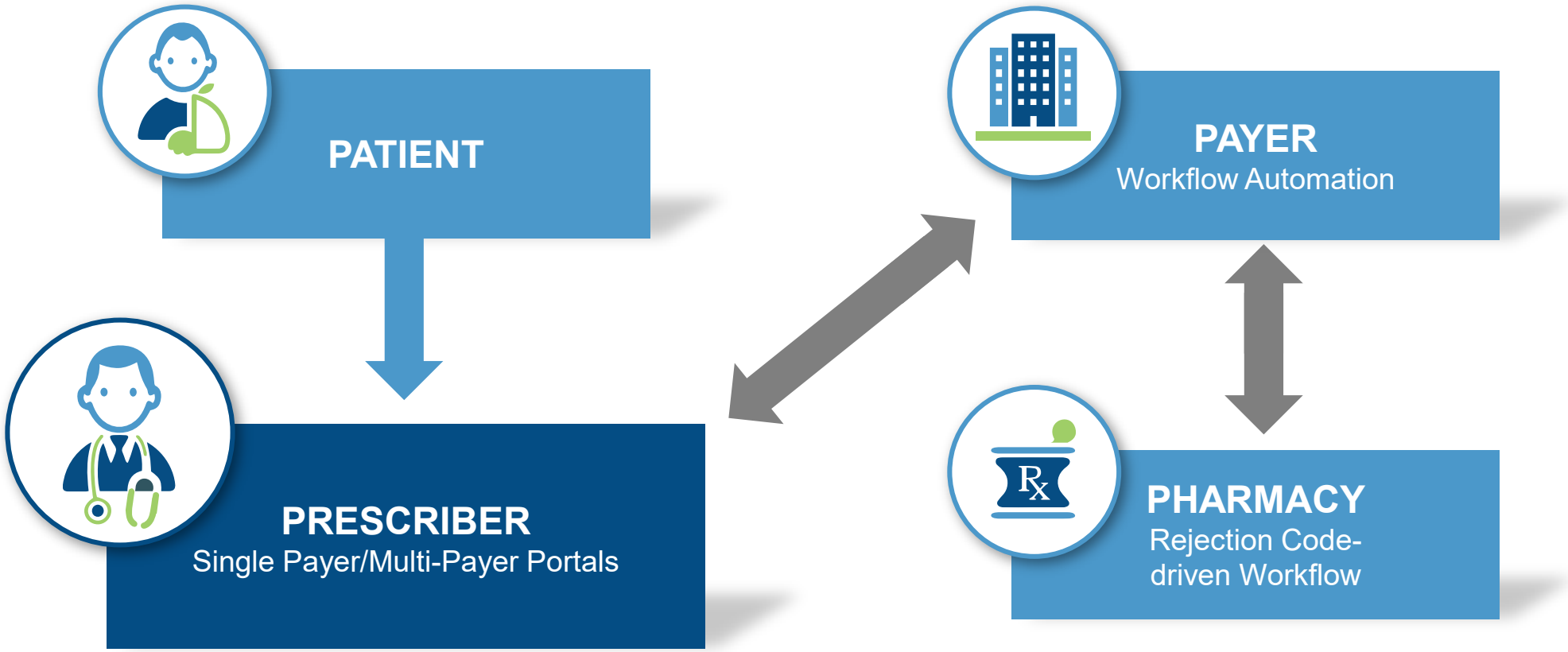
Portal-, Fax-Heavy PA "Automation"



Until today, automation largely replicated the paper process requiring duplicate entry of information

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Electronic Prior Authorization:

The Infrastructure Supported ePA

85%

Physicians Today

85%
of ambulatory physicians ePrescribe today*

700

EHRs Enabled

Approximately **700** EHRs enabled for ePrescribing*

98%

Retail Pharmacies

Nearly **100%** retail pharmacies*

*Surescripts 2017 National Progress Report, Point-of-Care Partners

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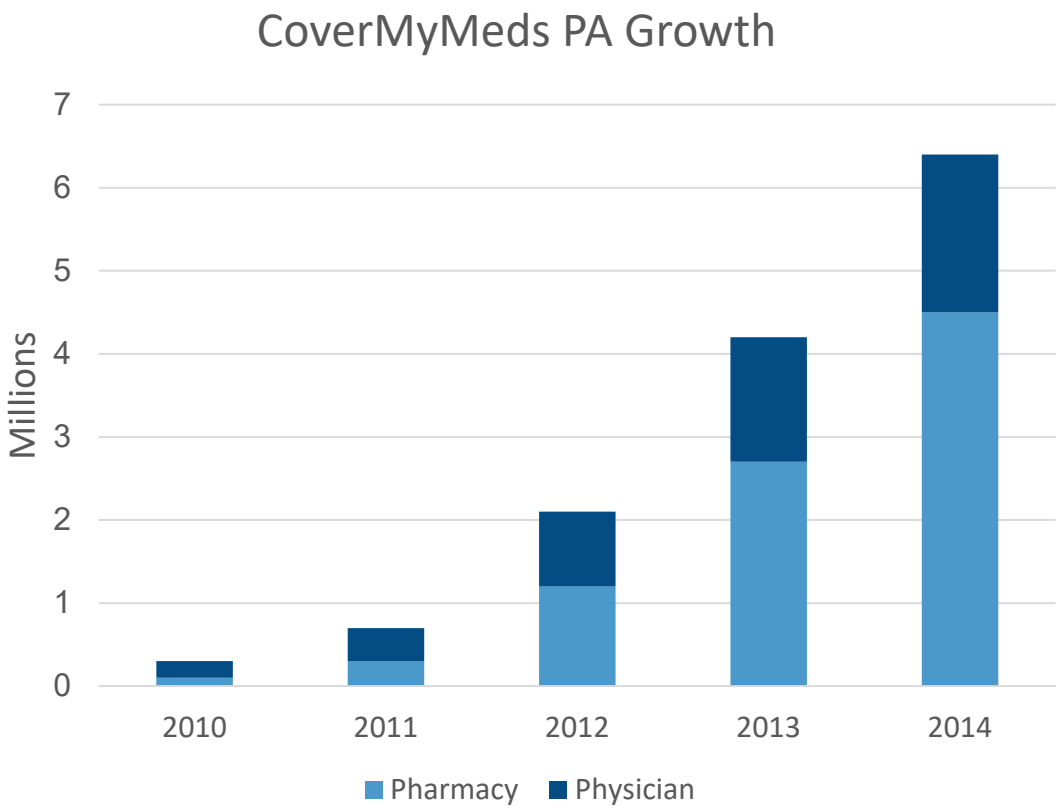
Electronic Prior Authorization



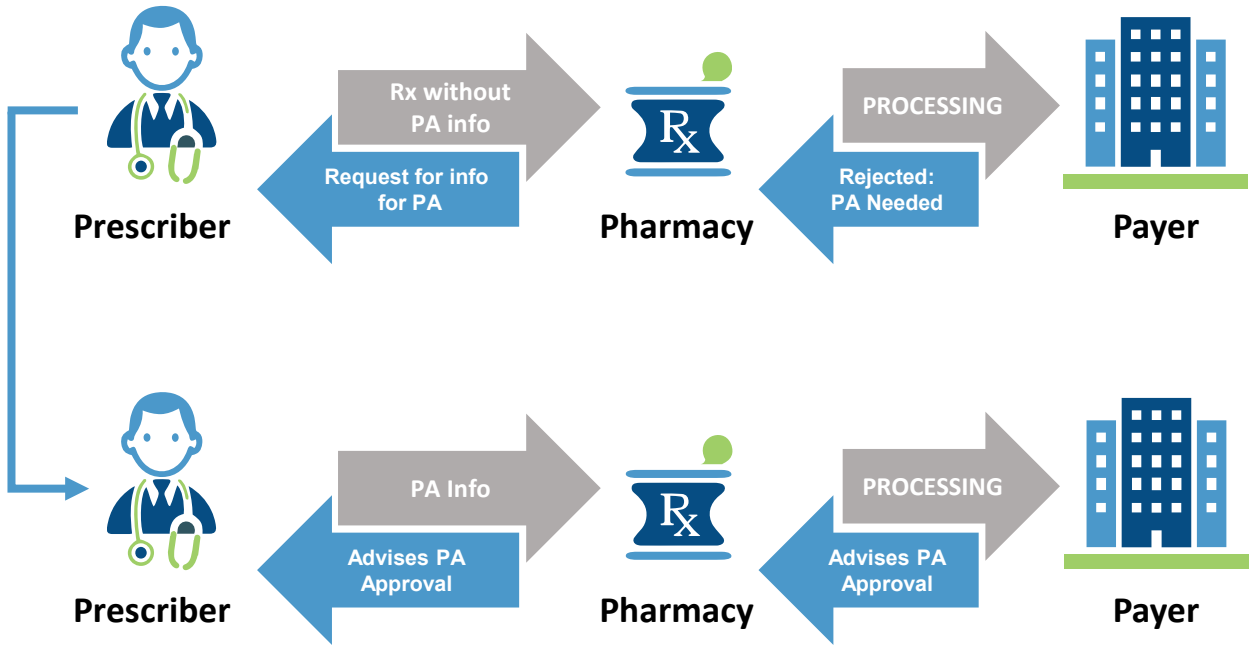
- Retrospective and prospective models emerging in the marketplace
- Retrospective being conducted in a proprietary manner
- Industry movement toward **prospective**
- Prospective ePA officially approved as part of the SCRIPT standard in July, 2013
- Standardized retrospective process on-hold
- Standardized questions being addressed
- Need for standardization, evidence-based PA criteria

Source: CoverMyMeds

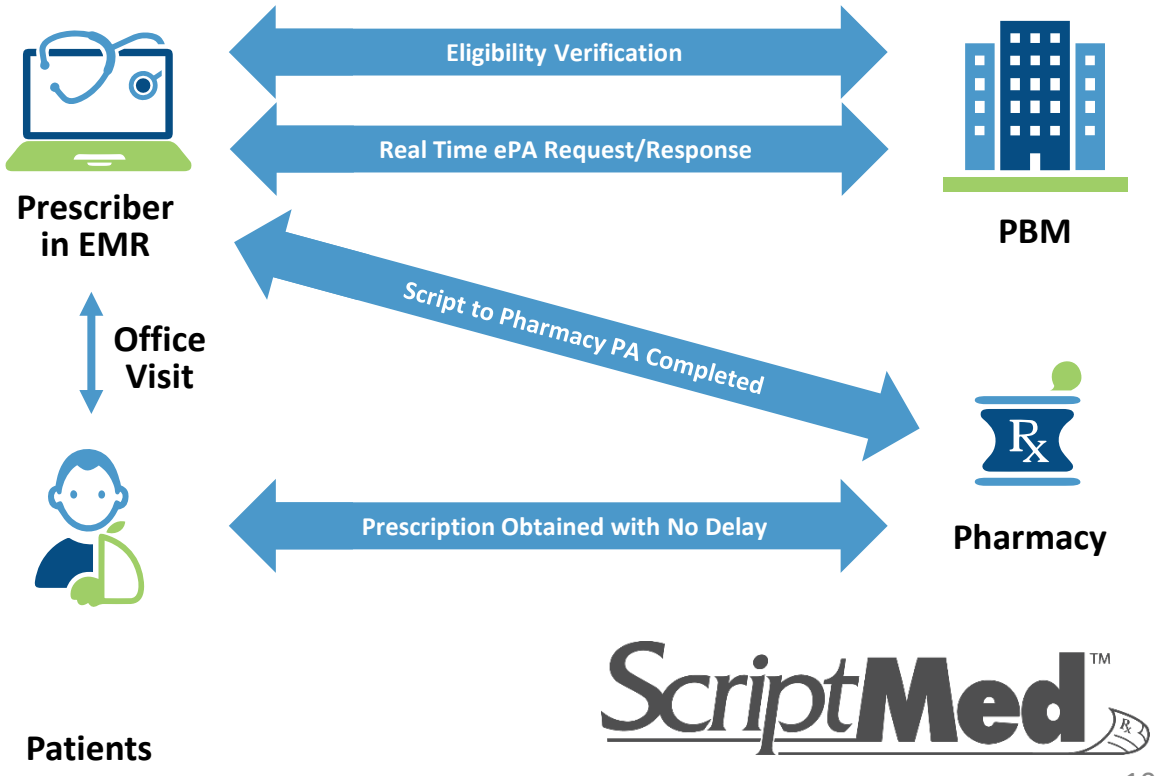
New Standard Enables Multiple Workflows

Retrospective vs Prospective

RETROSPECTIVE PA
Without PA Info at Time of Prescribing



PROSPECTIVE PA
With PA Info at Time of Prescribing



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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 lags behind

EHR ADOPTION

79% Committed

of EHRs are committed to implementing an ePA solution, compared to 73% in 2017, 70% in 2016 and 54% in 2015

70% Available

of EHRs have completed the ePA integration work with their selected vendor and have a solution in market, compared to 57% in 2017, 47% in 2016 and 22% in 2015

PAYER ADOPTION

96% Committed

of payers are committed to implementing an ePA solution, compared to 96% in 2017, 87% in 2016 and 68% in 2015

90% Available

of payers have completed the ePA integration work with their selected vendor and have a solution in market, compared to 90% in 2017, 68% in 2016 and 60% in 2015

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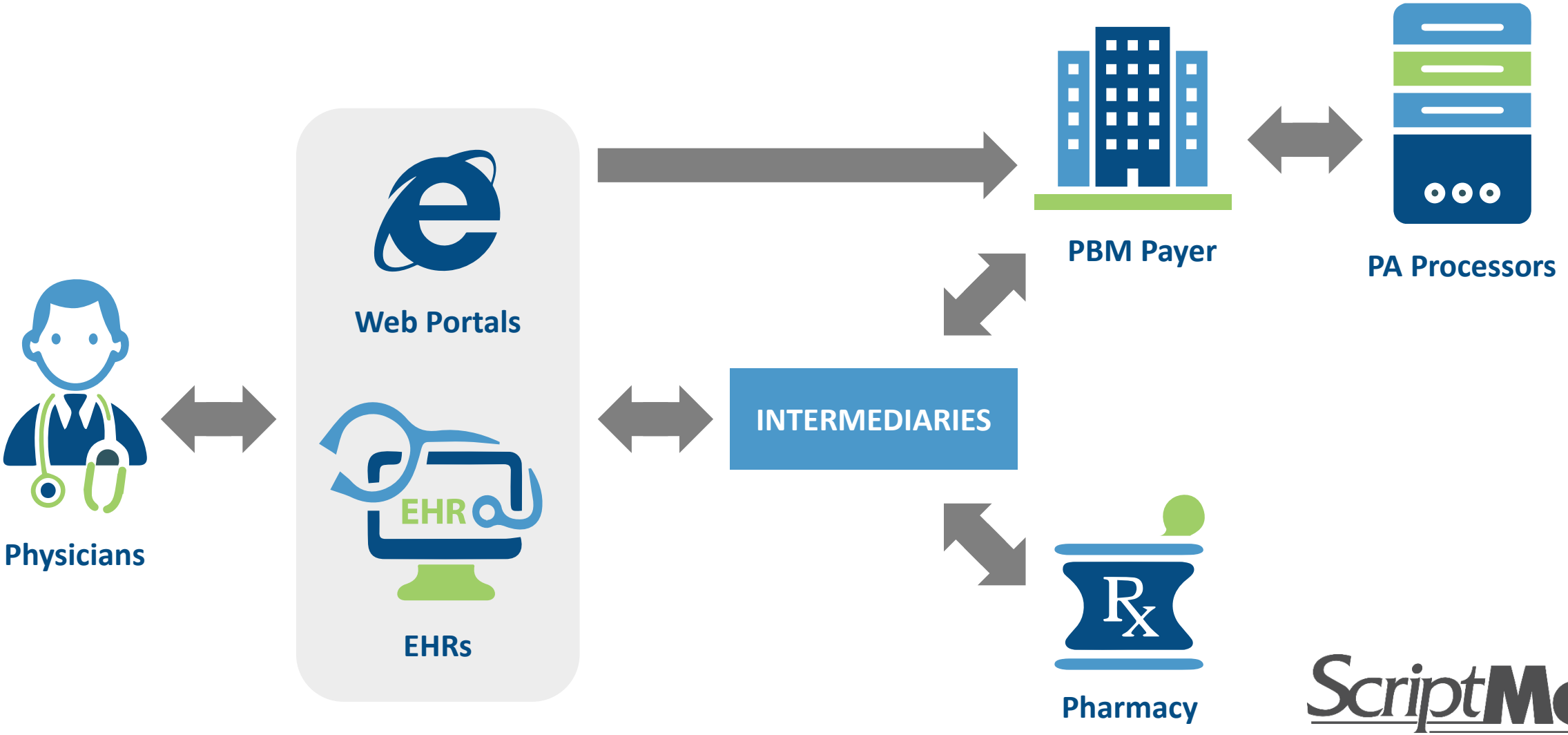
Source: 2018 ePA National Adoption Scorecard, CoverMyMeds

Current Landscape



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Key Drivers

Expansion of Value-based Contracting

Speed to therapy and adherence are critical factors in patients' health outcomes.

Growth of Specialty Medications

Specialty medications are the fastest growing[1] segment of medications.

Most of these medications require prior authorization.

The Growing Chronic Disease Crisis

Half of the U.S. population in 2025 will have at least one chronic medical condition. [2]

One-in-four adults are affected by multiple chronic diseases,[3] which often require complex medication therapies.

1. NPS Specialty Medication White Paper | Retrieved from https://www.pti-nps.com/nps/wp-content/uploads/2017/04/NPS_Specialty-Medhttps://www.fightchronicdisease.org/sites/default/files/docs/GrowingCrisisofChronicDiseaseintheUSfactsheet_81009.pdf
2. The Growing Crisis of Chronic Disease in the United States| Partnership to Fight Chronic Disease | Retrieved from https://www.fightchronicdisease.org/sites/default/files/docs/GrowingCrisisofChronicDiseaseintheUSfactsheet_81009.pdf
3. Multiple Chronic Conditions | CDC August 14, 2018 | Retrieved from https://www.cdc.gov/chronicdisease/about/multiple-chronic.htm

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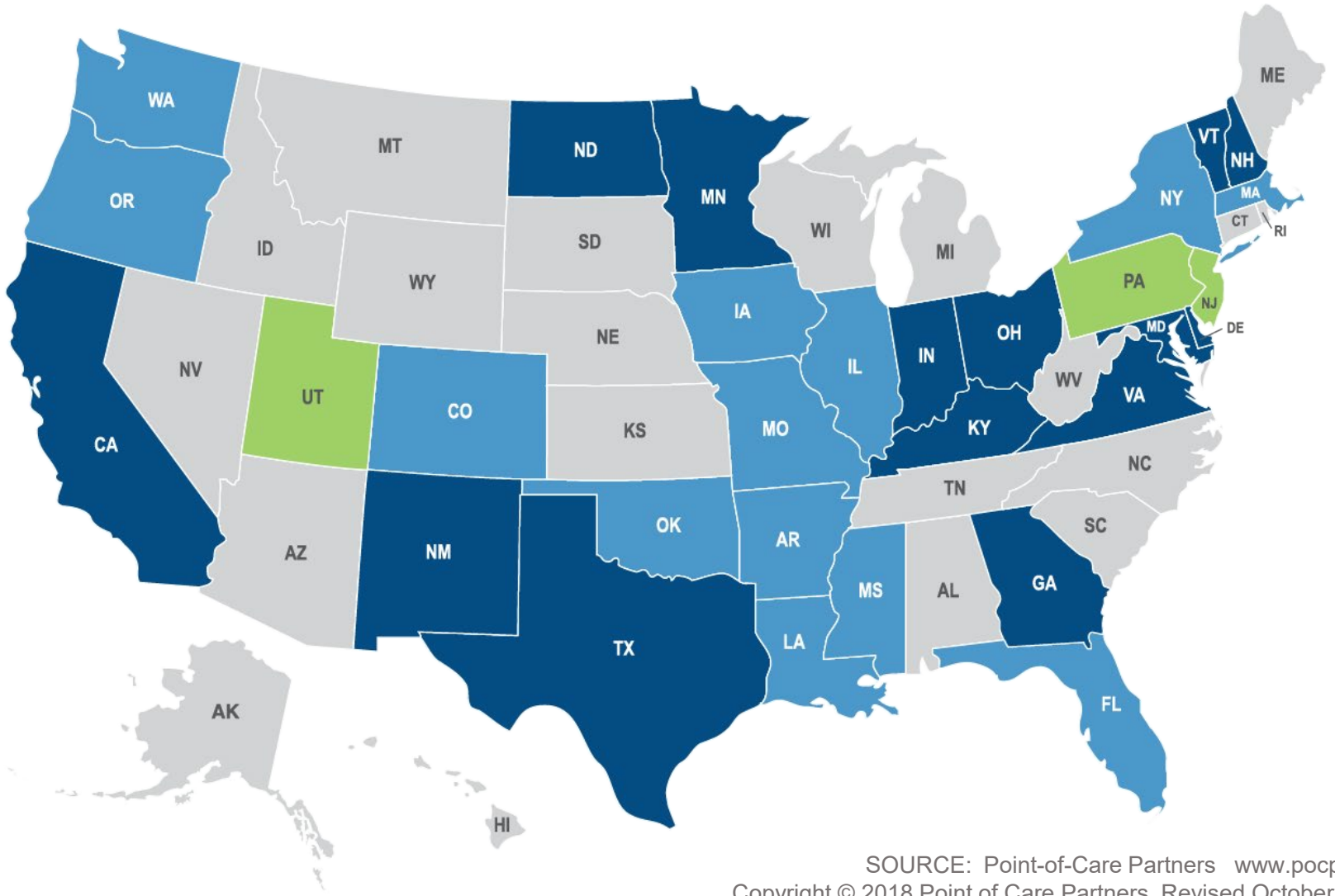
ePA Legislative Drivers



Pharmacy ePrior Authorization Laws

- Requires support for ePA transaction, most specify NCPDP standard
- Allow electronic submission, standard method either not specified OR not mandated
- Legislation proposed or rules in development
- No Information

SOURCE: Point-of-Care Partners www.pocp.com

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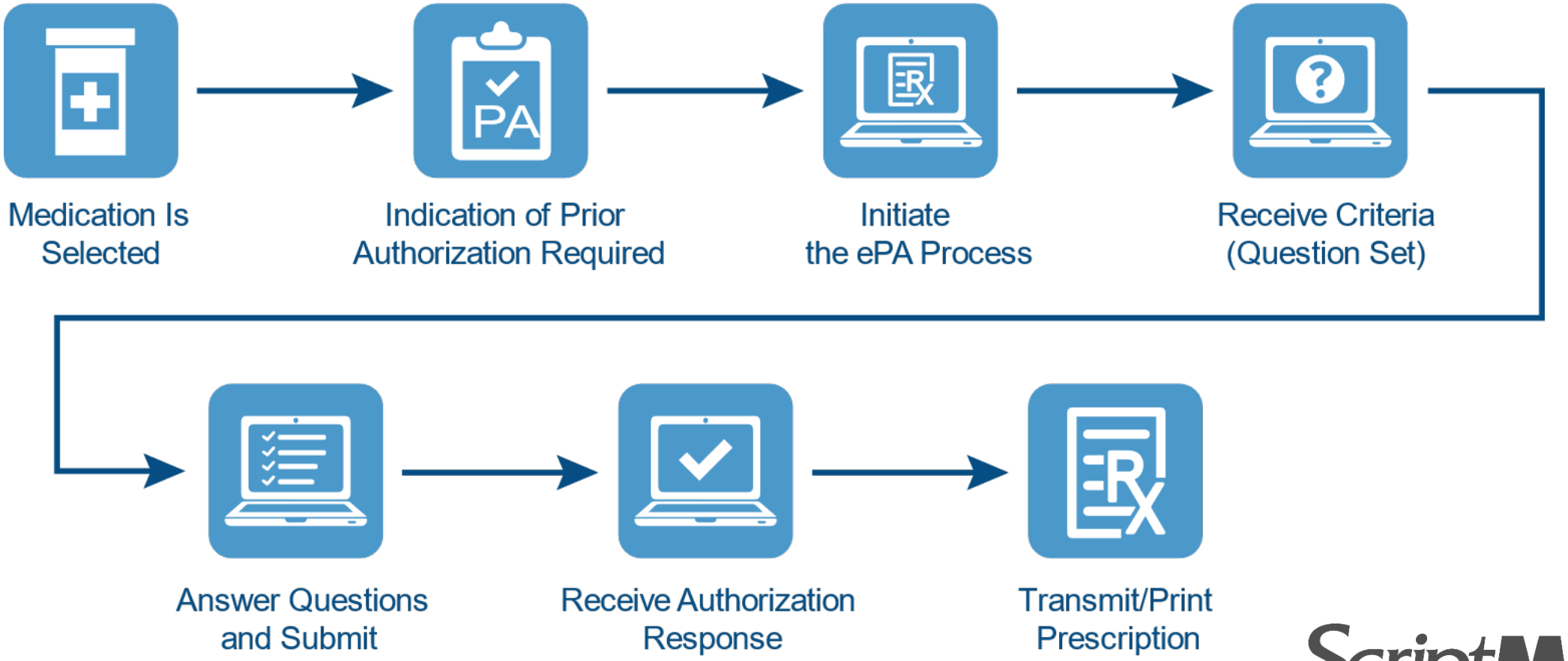
Federal Drivers

- Support for Patients and Communities Act (H.R. 6) **passed** House and Senate, expected to be signed into Law 10/24/2018
  - Will require ePA for Part D drugs by 1/1/2021
  - Names standards adopted by the Secretary in consultation with NCPDP and others
- Opioid Crisis has generated over 30 prescribing-related bills including ePA bills included in H.R. 6 and overlap categories

… "A facsimile, a proprietary payer portal that does not meet standards specified by the Secretary, or an electronic form shall not be treated as an electronic transmission." *Exclusion in H.R. 6*

Integrated ePA Workflow

EHR ePA Workflow at a Glance



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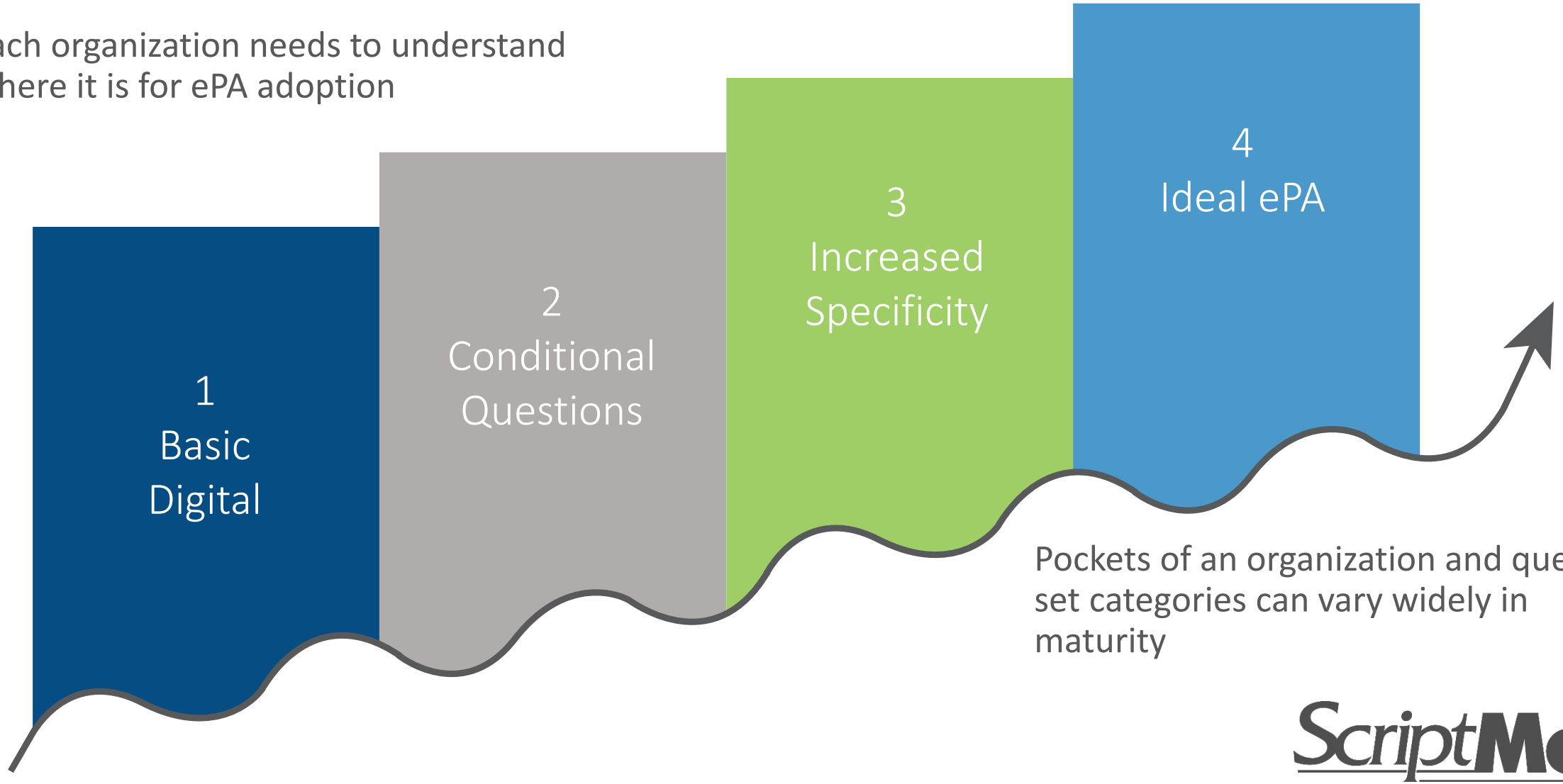
What are the High Leverage Points for ePA?

1. Improve data quality, patient matching and routing of questions
2. Build out NCPDP standard to match roles & players
3. Improve EHR usability and workflow
4. Challenge mindset to go beyond replicating paper PA to ePA

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

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PRIMARILY RETROSPECTIVE

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Source: POCP Primary Research

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.

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Pharmacy 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**

- **66% of prescriptions rejected at the pharmacy require PA; 36% 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;

few providers exclusively use an ePA solution.

Sources: CoverMyMeds, Krieger, 2009; POCP primary research

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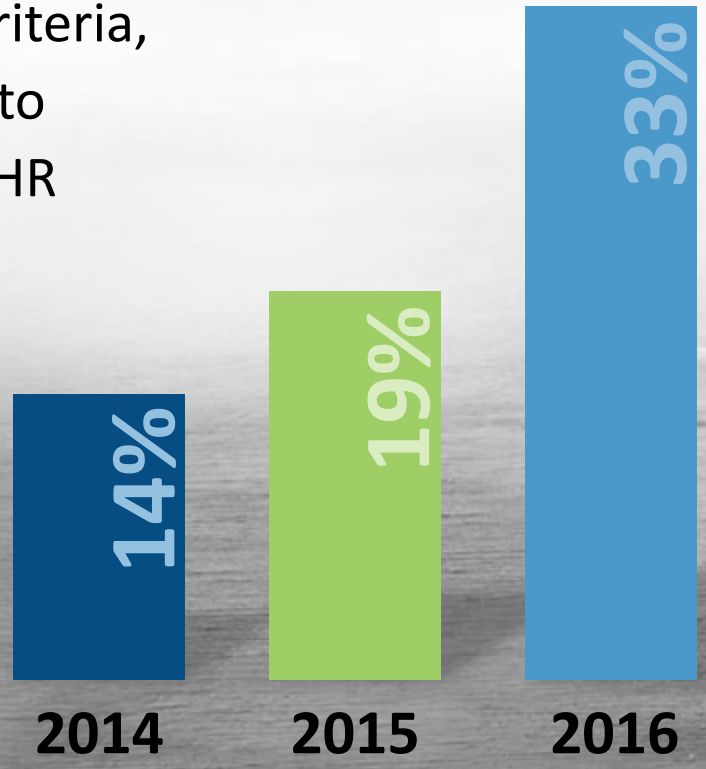
Gaps in ePrior Authorization for Pharmacy

- Drug requiring PA flagged in only 33% of the cases
  - Lack of EHR integration
    - Lack of standardized criteria, which inhibits ability to extract data from EHR



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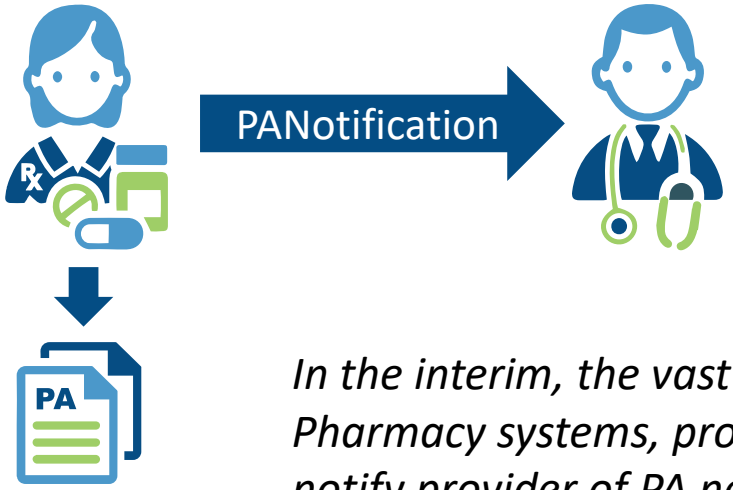
Pharmacist-Initiated ePA: SCRIPT Use Cases

Pharmacist initiated workflow is in 2017071 version of the SCRIPT standard and covers two scenarios:

1. Pharmacist empowered to submit directly - A pharmacist discovers prior authorization is required and:
   a) Notifies primary care via PANotification message that they are submitting PA
   b) Submits PA with available information



2. Where trading partner do not empower pharmacist to submit direct – A pharmacist discovers prior authorization is required and is able to notify via a PANotification message that PA is required.

In the interim, the vast majority of PAs continue to be retrospective. Pharmacy systems, providers and vendors have established tools to notify provider of PA need already, USING THE FAX.

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PANotification

The pharmacy may use this message to notify the prescriber they have either started the PA process or the PA process is complete.

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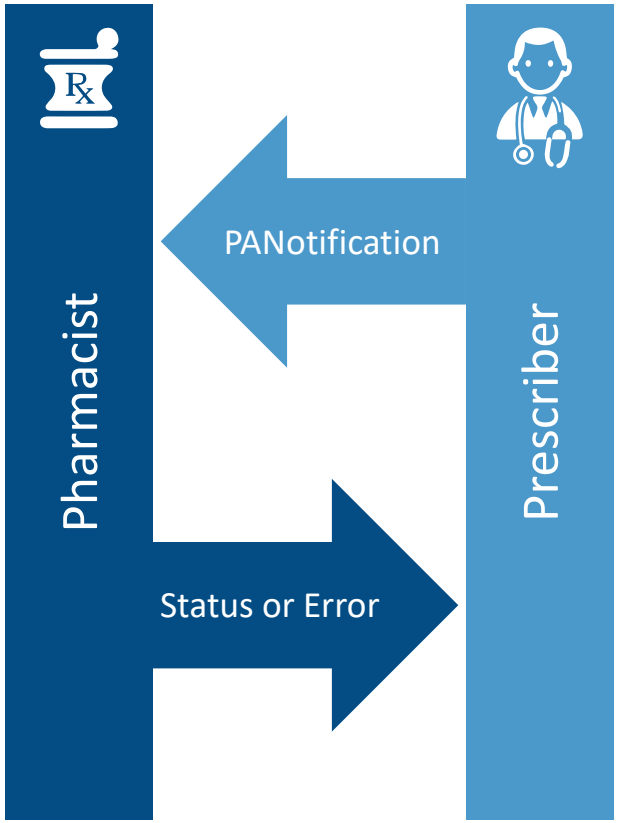

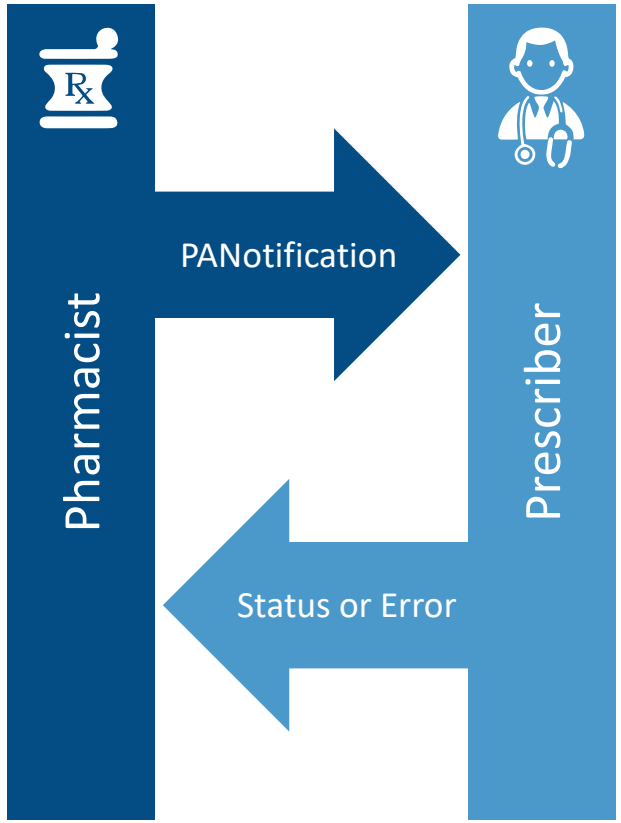

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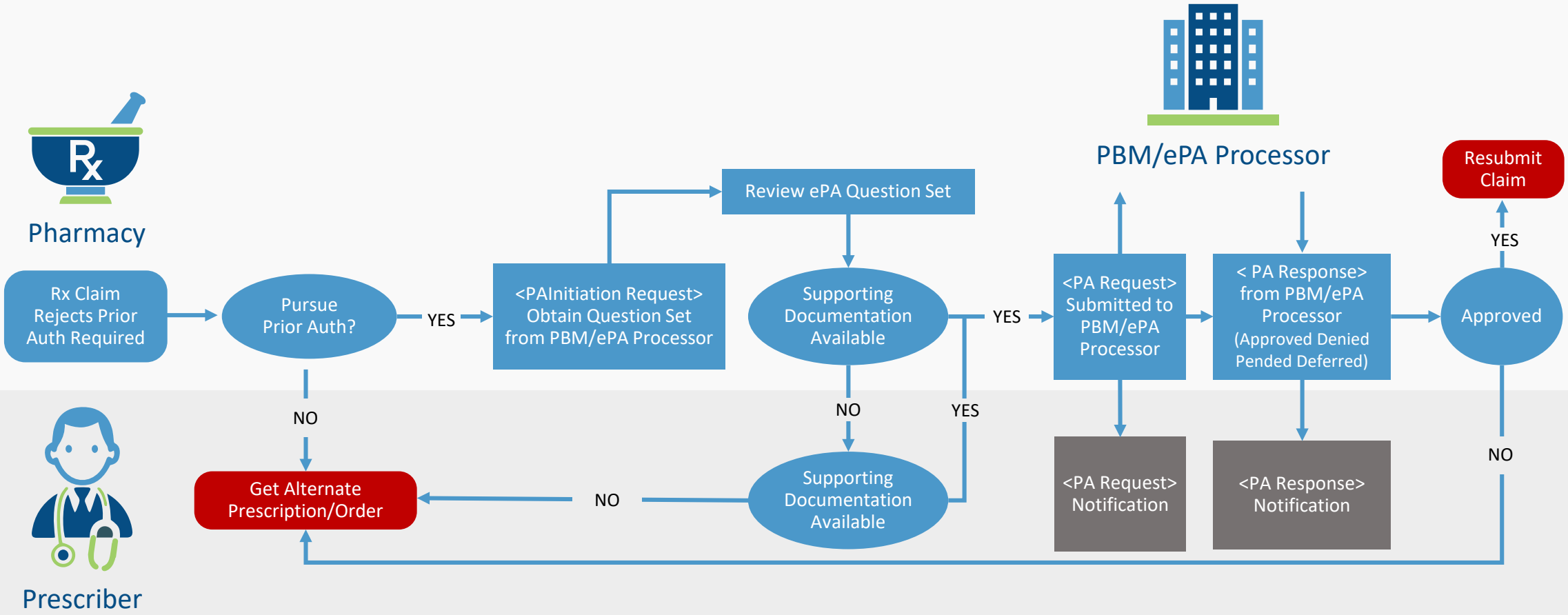
Retrospective Pharmacist Initiated ePA with Notification



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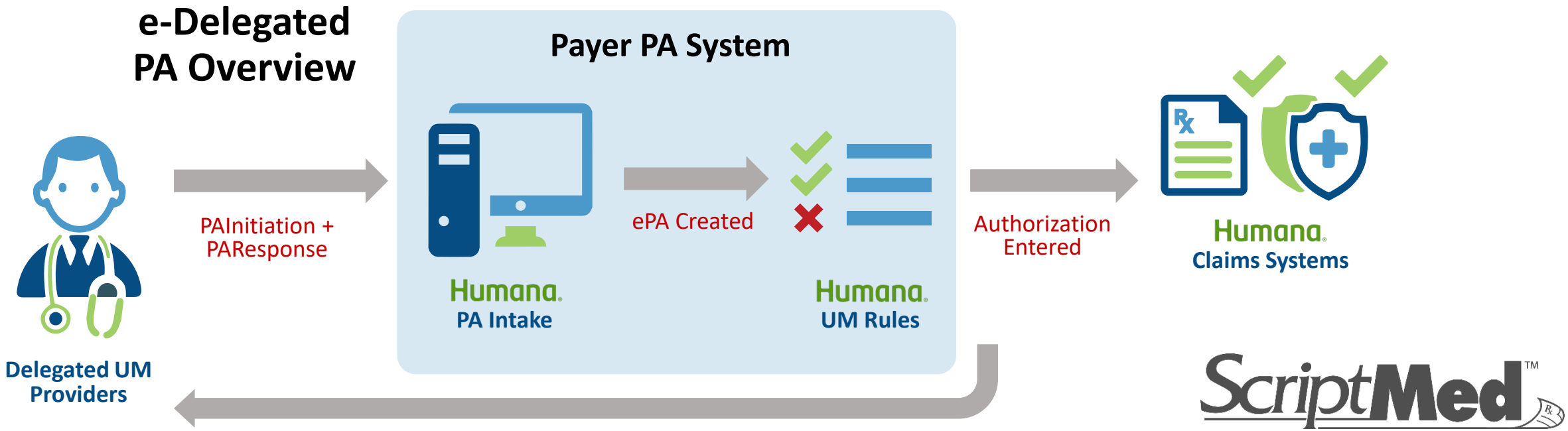
Delegated Prior Authorization

Delegated prior authorization is proposed as the next transaction scenario to be built out for ePA.

1. Payer organization, Provider organization may make a decision to outsource the submission and process of prior authorizations. This may be to a stand alone third party, a partial/wholly own subsidiary or a nonclinical portion of staff.
2. Workflows are currently being defined. Interested parts should join WG11: ePA Workflow to Transaction Taskgroup calls, biweekly TH 3pm



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Where Are We Going?

Seamless integration
of specialty medications

Mandatory electronic prior authorization
for drugs dispensed under Medicare/Medicaid

Increased use of prospective (prescriber to pharmacy) **electronic prior authorization**

Seamless process – data will be extracted from EHRs

Elimination of unnecessary PAs

Addition of real-time benefit check

Immediate alerts for PA required and nonformulary prescriptions

Patient-specific, real-time accurate data and coverage information at point of prescribing

Handling of medical and prescription PAs within the same application / EHR

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Thank You!

Jason Reed, PharmD
Director, Product Development
CenterX
jasonr@centerx.com

www.centerx.com

Tony Schueth, MS
CEO & Managing Partner
Point-of-Care Partners
tonys@pocp.com

www.pocp.com