

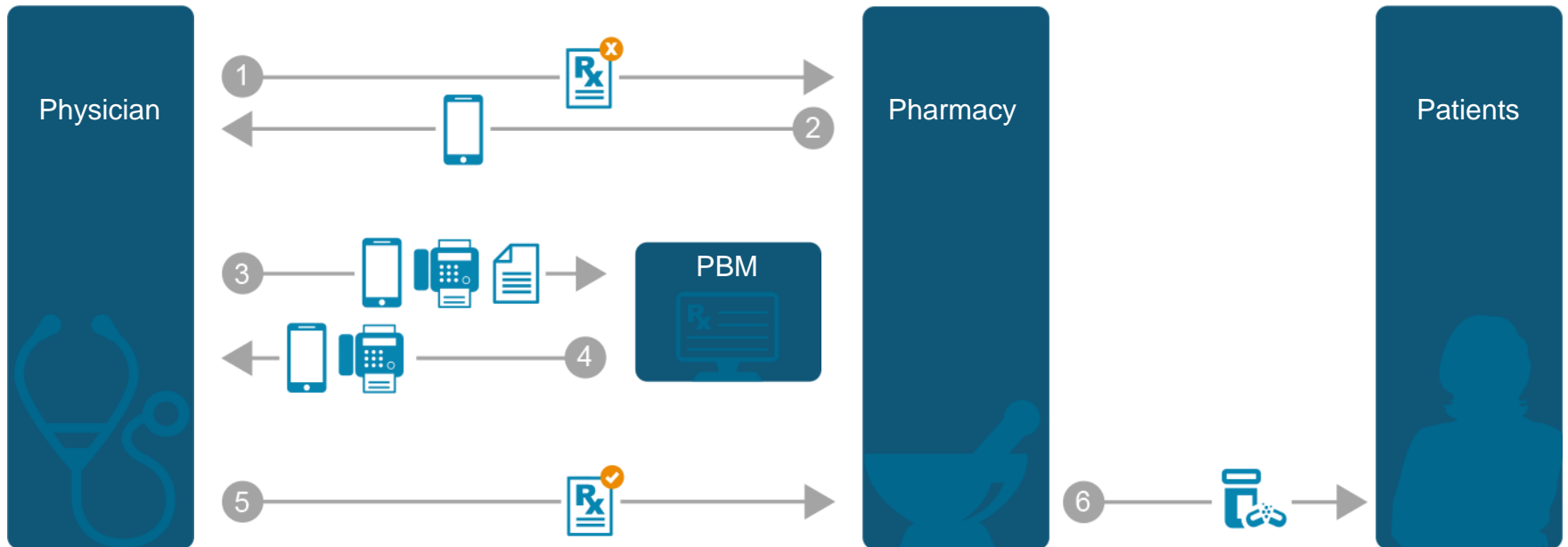
Employers' Forum of Indiana and ePA

March 23, 2016

**Prior authorization,
the problem
we are all solving.**

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The Medication Prior Authorization Process is **Complex** and **Time-consuming**



Prior Authorization is an **Important, but Costly,** Tool that PBMs use to Control Drug Spend

Physicians	PBMs	Pharmacies	Patients
<p>\$2k-14k Per physician each year¹</p>	<p>\$85 million Annual spending on PA per PBM</p>	<p>\$11,440 Cost per pharmacist per year of processing PAs⁵</p>	<p>20-30% Of patients never get their prescription⁷</p>
<p>Spend more time dealing with PA than any other interaction¹</p>	<p>Process causes physician abrasion, and patient complaints⁴</p>		
<p>8 hours Per physician each week¹</p>	<p>90% Of requests require phone or fax²</p>	<p>4 hours Per pharmacist per week spent on PAs²</p>	<p>2 days (up to weeks) Waiting time for 2/3 of patients when a PA is required⁶</p>

1. Health Affairs, Volume 28 No4 w533. July/August 2009: "What Does it Cost Physician Practices to Interact with Health Plans?" Lawrence P. Casalino, et al.

2. Managed Healthcare Executive, 2009, *Manage Medical Advances with Automated Prior Authorization*, D. Moeller

3. American Journal of Managed Care, *A Physician-Friendly Alternative to Prior Authorization for Prescription Drugs*, Published Online, Dec. 2009 (for Top 5 PBMs, estimating 17million PAs at \$25/PA.

4. HealthCare Payer News, *Streamlining Pre-authorizations to Prevent Physician Abrasion*, Feb. 2013

5. <http://www.policymattersjournal.org/krieger.html>

6. January 2014 Surescripts survey

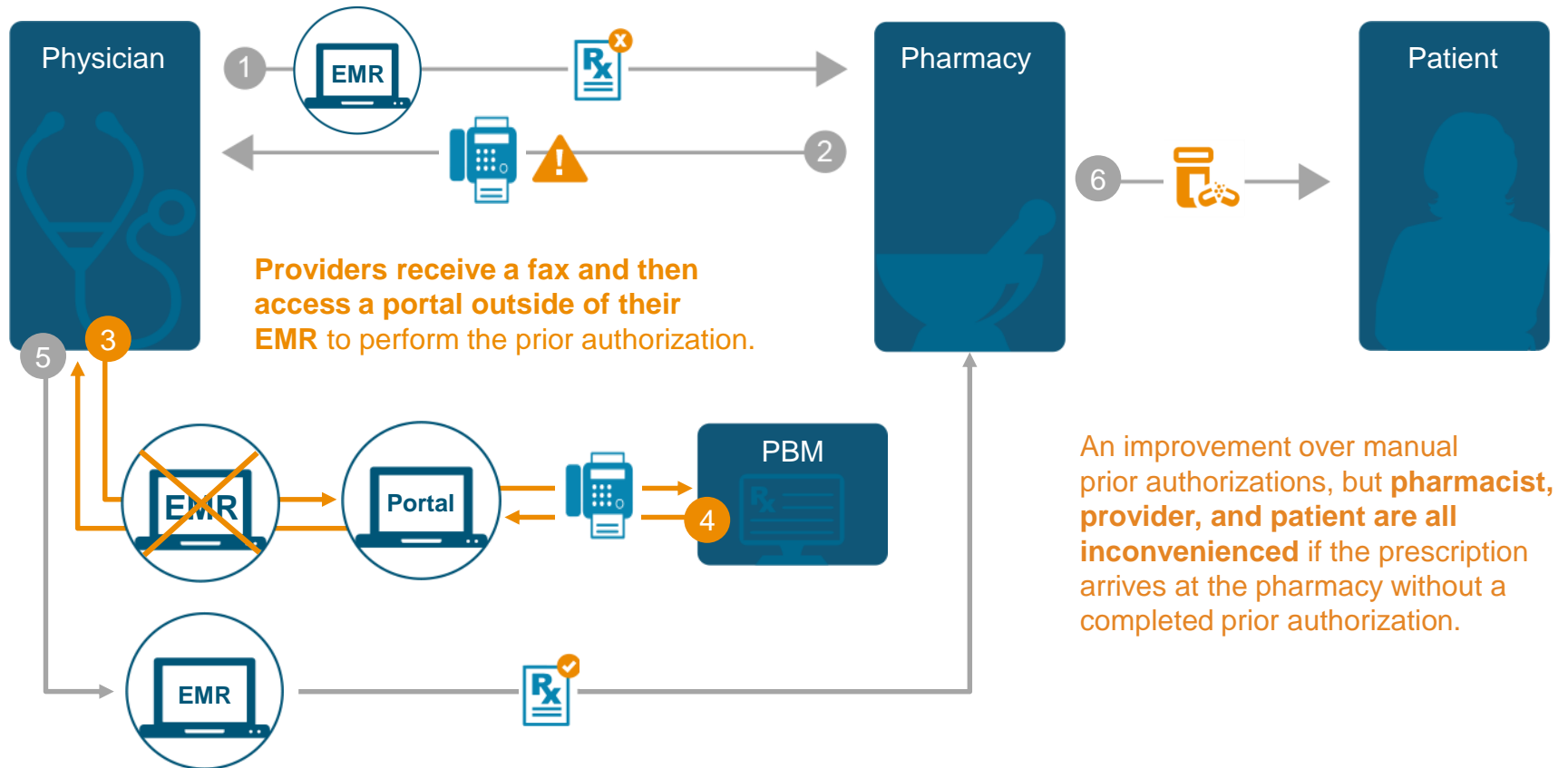
7. inspire.com

**How are
prior authorizations
processed today?**

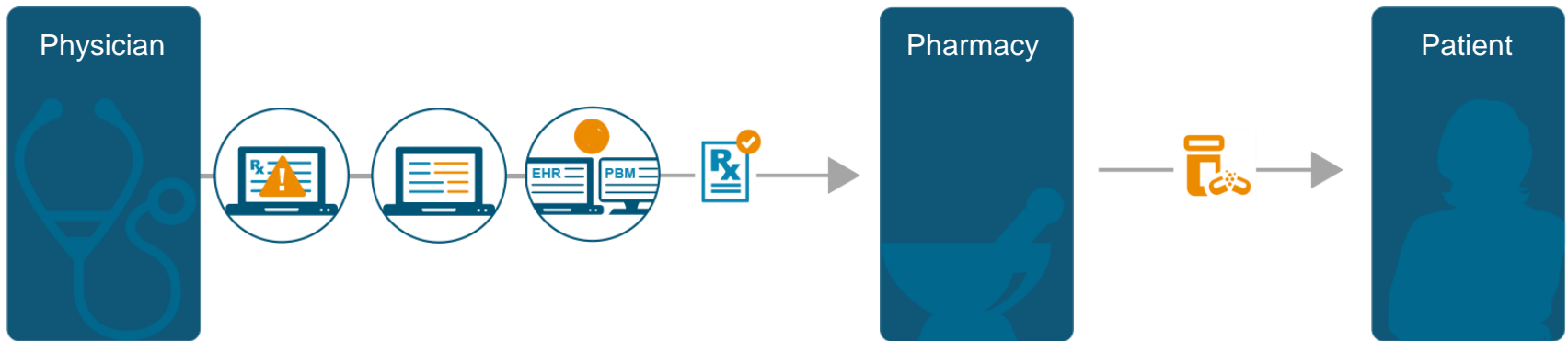
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How Prior Authorization Works Today

Portals account for the vast majority of prior authorizations done retrospectively.



There's an Easier Way



The Complete Electronic Prior Authorization Solution

Capabilities	Completely Electronic PA	Fax-Based or Phone PA Services	Portals
Integrated into physician EHR workflow	✓	✓	
Prospective workflow capabilities - processes PA before routing E-Prescription to pharmacy	✓		
Retrospective workflow capabilities - processes PA after E-prescription sent to pharmacy	✓	✓	✓
Automated self-population with patient-specific, clinical data directly from EHR	✓		
Question logic trees mean prescriber answers only questions relevant to PBM adjudication decision	✓		
Real-time approval/denial decision in the prescriber's EHR	✓		

NCPDP

What is NCPDP?

- National Council for Prescription Drug Programs (NCPDP) is an entity that creates standards for electronic healthcare transactions.
- These include the SCRIPT standard (typically used by EMRs and PBMs) and the Telecom standard (typically used for pharmacy and PBM information exchange).
- EMRs, pharmacies, and PBMs use NCPDP standards to send formulary data, electronic prescriptions, and electronic pharmacy claims.
- In **August 2013**, NCPDP added ePA messages to the SCRIPT standard.



NCPDP ePA Provides Significant Enhancements to the Prior Authorization Process

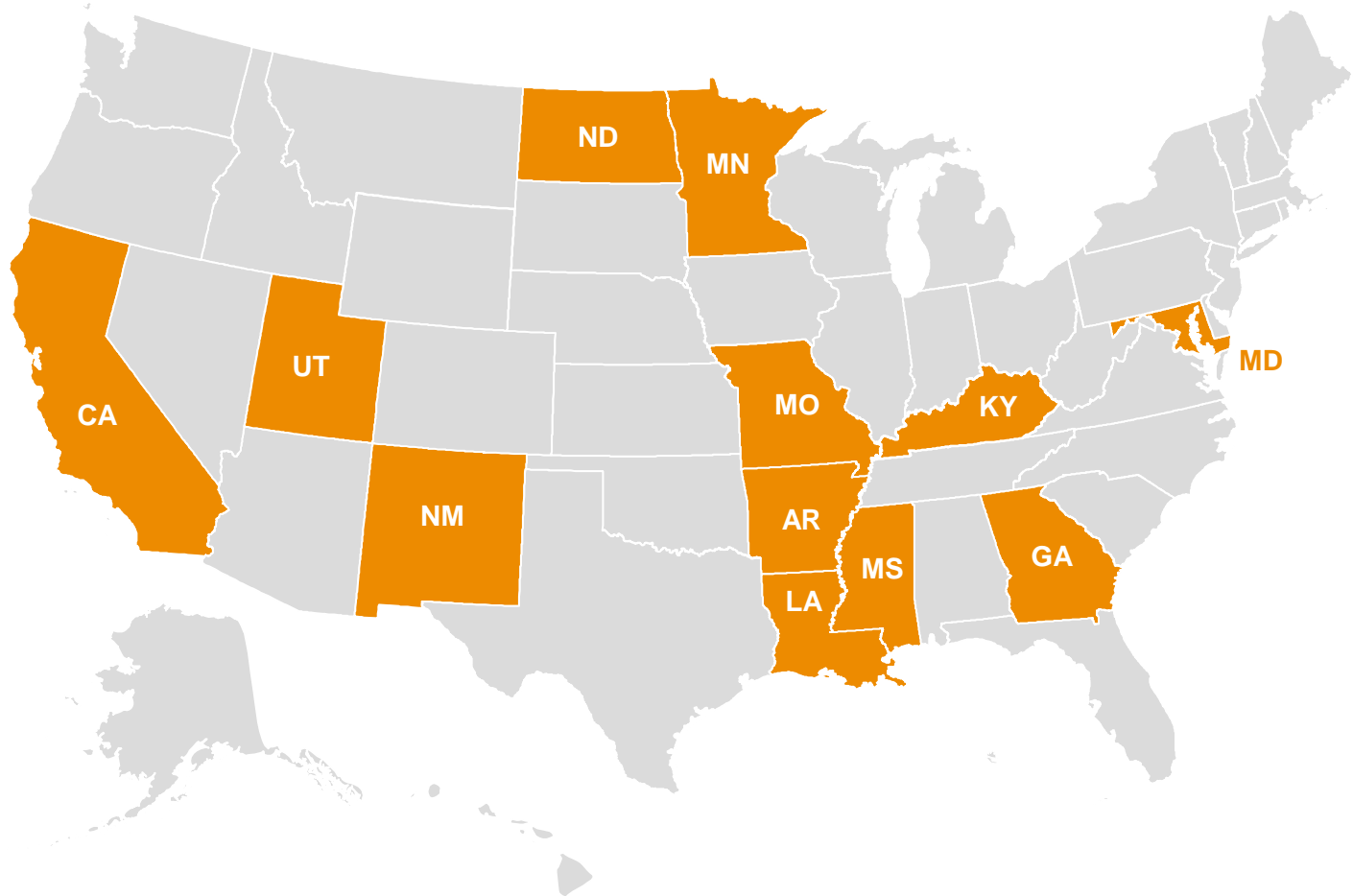
- Leverage e-prescribing to **proactively notify providers** of medication PA requirements
- Dynamical logic delivers PA questions **specific to patient**, plan, and medication
- **Pre-population of required patient information** for the provider leads to **standardized requests** for the PBM/health plan
- Reduce office complexity and frustration **with real-time PA responses from PBM**

Regulatory Legislation

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State Legislation a Significant Adoption Driver

States Mandating Electronic Prior Authorization



e-Prescribing (eRx) Overview

- E-Prescribing is the electronic prescribing of medications from the physician to a pharmacy.
- Other messages, such as Medication History, Eligibility, Formulary, and now ePA are part of the eRx process

Messages	Nationally	Indiana
E-Prescriptions in 2015	1,500,000,000	32,600,000
New Prescriptions in 2015	83%	83%
Prescribers Utilizing	55%	53.6%
EHR Applications	700	234
Chain Pharmacies	40,000	914
Independent Pharmacies	21,000	181
Patients	292,000,000	5,500,000

CompletEPA® Accelerator Demo

Indiana Benefits Significantly from Electronic Prior Authorization

500K

Total IN PAs in 2016

80%

of PBMs
have prospective
ePA capability

167K

Hours saved for IN
doctors doing ePA

8

IN Health Systems
contracted for true
ePA Functionality

20K

IN physicians
e-prescribing
already

Questions?