

# Demystifying Electronic Prior Authorization (ePA)

Exploring the impact of electronic prior  
authorization on hospitals and care providers

presented by

**Care360**®

and

**surescripts**

# Demystifying ePA



## Executive Summary

Despite significant investment into the purchase and implementation of electronic health record (EHR) systems, the majority of medication prior authorizations (PA) are still processed manually. This white paper will explore the challenges of manual PA, how electronic prior authorization (ePA) can streamline the PA process, and how utilization of ePA reduces the costs associated with manual PA processing.

According to the journal Health Affairs, “On average, physicians spent more time dealing with [drug PAs] than any other interaction,” which absorb from 3 to 8 hours each week and cost thousands of dollars each year per physician.<sup>1</sup> Physicians face 3 critical challenges associated with manual PA practices. First, the PA approval process itself is primitive—90 percent of PAs require a phone call or fax<sup>2</sup> to be completed successfully. Second, with the use of expensive specialty drugs and biologics on the rise, the number of drugs that require PA is increasing. Lastly, every payer manages a unique set of requirements that must be satisfied on a plan-by-plan, patient-by-patient basis, compounding an already complex issue.

Providers aren't the only ones to feel the sting of the cumbersome PA process. Patients arrive at the pharmacy only to discover that their prescribed medication cannot be dispensed until the script is approved via PA. In fact, 69 percent of these patients wait multiple days for a PA response<sup>3</sup> and 20-30 percent of patients waiting on PAs ultimately give up without getting their prescription.<sup>4</sup> These delays damage the patient-doctor relationship and interfere with a patient's medication compliance, which reduces overall care quality.

## Manual PA vs. Electronic PA

Manual PA processes are cumbersome and frustrating. A physician sends a prescription to the patient's preferred pharmacy. The pharmacist attempts to fill the prescription and learns that the medication requires PA. The pharmacist informs the patient of the PA requirement and initiates the PA request via phone or fax. The provider and pharmacy benefit manager (PBM) exchange multiple calls, faxes, and forms, and after waiting days or even weeks, the PBM grants the PA request and the patient is notified that the prescription is available for pick up.

Electronic prior authorization (ePA) significantly simplifies the manual PA process when integrated into the EHR workflow. During the e-prescribing process, the physician is notified of PA requirements and can either select an alternate medication or submit the PA electronically immediately within the EHR. The clean script is sent to the pharmacy and the pharmacist is able to fill the prescription. The patient picks up the prescription at the pharmacy without delay.

### Manual PA is complex and time-consuming.



### Electronic prior authorization simplifies the PA process.



# Developing an ePA standard

In 2012, CVS Caremark, Surescripts, and other industry stakeholders launched a pilot project to demonstrate that ePA was a viable solution. Working with the National Council of Prescription Drug Plans (NCPDP), these industry leaders developed transaction-based standards for ePA based on the Surescripts/Caremark pilot, that were included in the most recent version of NCPDP's SCRIPT standard governing e-prescribing. The result is a proven standard that preserves the flexibility for payers to collect different sets of data for their individual PA processes, presents each unique data set in a standard format for the physician, and integrates seamlessly into the e-prescribing workflow within a physician's EHR.

Under the new standard, ePA leverages the comprehensive reach of the Surescripts network, which provides ePA connectivity for more than 225 million covered lives to date through its network of PBMs and payers.

To obtain this connectivity, look for an EHR that offers ePA within the e-prescribing workflow. This technology presents the physician with the question sets—specific to particular patients, plans and drugs— required by each PBM or payer to make their approval/denial decision. By providing information to the doctor within the EHR during the patient visit, the prior authorization process can be proactively managed, saving time for both the physician and the patient.

## Reduced administrative burden

Processing PAs electronically using ePA technology frees physicians from the administrative burden of manual PA by streamlining and automating workflow processes for improved effectiveness and reduced costs. Paper forms are eliminated and specific PA questions for the patient, plan, and medication in question are delivered dynamically within the EHR. Additionally, this tool auto-populates required patient information for added efficiency and accuracy, reducing the amount of time a physician has to spend filling out forms and supports real-time communications with PBMs to reduce frustration.

**Our solution automatically populates key patient data within the EHR, making the ePA process faster and easier.**

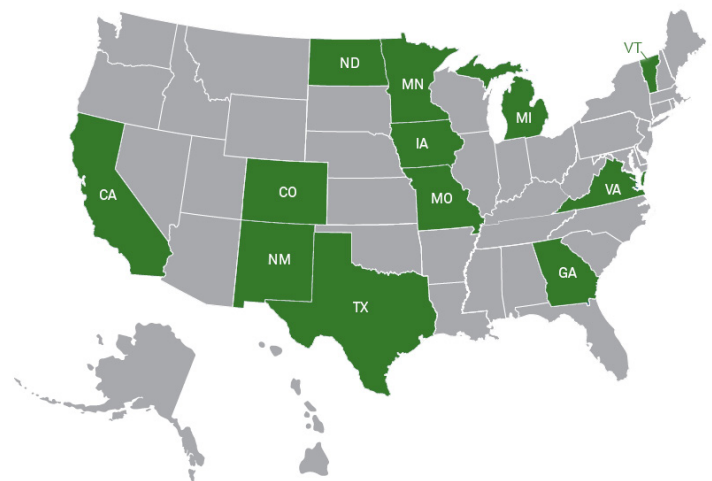


## Electronic PA adoption

Electronic PA requires PBM and EHR connectivity in order to provide real-time PA responses on patient eligibility and prescription approvals. To date, 85% of covered lives and more than 465K healthcare professionals are connected to an ePA solution.

Already, 12 states have laws on the books mandating some form of ePA and numerous other states have drafted study laws with the intention of adopting ePA mandates upon completion. While there are no current ePA mandates, the NCVHS recently recommended that HHS adopt the NCPDP ePA standard to enable prompt industry implementation.

## States mandating ePA





## Learn more

Managing prior authorization doesn't have to be time-consuming and expensive. By implementing an ePA solution, hospitals and care providers can reduce the administrative burden felt by their staff while improving patient care. Additionally, this technology can streamline the PA process and reduce the liability associated with manual PA processing.

Find out how – call **1.888.491.7900** or email **Info@Care360.com**.

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### References:

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