WEBINAR SESSION
Tackling the Challenge: Understanding and Navigating Prior Authorization in Healthcare

Presented by the ACMA

Date: Oct 11th, 2023
Time: 1PM EST

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Objectives

- Understand the workflow of the Prior Authorization (PA) process
- Review the potential delays associated with PA process
- Effects of PA delays on the healthcare landscape
- Trends in the healthcare system
- How to better navigate PA requests
Prior Authorizations

What is a Prior Authorization?

- Prerequisite of medical necessity for a healthcare service, device, or medication prior to its delivery

Who is included in the process?

- Physicians, health plans, medical/billing specialists, pharmacists, pharmacy technicians, administrative staff, etc.
What Requires a PA?

- High Spend
- Brand-name drugs that have a generic alternative
- Only approved for certain conditions
- Serious side effects
- Drugs that are often misused or abused
- Potential interactions
- Cosmetic purposes
- Weight-loss drugs, treatments, or procedures
- Non-preventive
Prior Authorization Workflow

1. Prior Authorization Requested
2. Prior Authorization Notification
3. Physician
4. Pharmacy
5. Payor
6. Prior Authorization Requested
Prior Authorization Workflow

Submit PA forms and clinical documents

Payer

Approve or Deny

Physician → Pharmacy → Patient
Prior Authorization Delays

- Communication
- Requirements & timing
- Expiration
- Medication changes
- Pharmacy restrictions
- Insurance changes
- Denials
Patient Access

A product only matters when the patient uses it
Patient Access

The goals of the healthcare system

How is the healthcare system funded?

What are the roadblocks to patient access?
Prior Authorization Issues Contribute to 93% of Care Delays

“When a PA requirement is imposed, only 29% of patients end up with the originally prescribed product—and 40% end up abandoning therapy altogether. Not only is this negative for pharma and frustrating to prescribers, but it is even worse for those patients who don’t get the medication that could best treat their condition…”

Source: 1Prior Authorization Issues Contribute to Care Delays, American Medical Association, Survey, 2021

Prior Authorization: Change in PA burden over the last 5 years

Q: How has the burden associated with PA changed over the last five years in your practice?

86% report PA burdens have increased over the last 5 years

- 43% Increased significantly
- 43% Increased somewhat
- 12% No change
- 0% Decreased somewhat or significantly (2%)

Source: American Medical Association, Survey, 2019
Prior Authorizations: A Costly Step in Patient Access

Providers

$11 per authorization related to labor costs¹

Payers

$12 per authorization related to labor costs²

Specialty Pharma

50% adherence rate for commonly-used specialty drugs³

Patients experience treatment delays or abandon care entirely

Providers and payers spend over $32 billion on labor costs processing 1.4 billion PAs annually

¹ athenahealth research; ² FastAuth estimate; based on public data published by EviCore Healthcare; ³ IQVIA research; ⁴ FastAuth estimate based on total number of 31 PAs per physician per week (source: AMA) x ~1M licensed physicians (source: Kaiser Health research)
Prior Authorizations are costly for Pharmaceutical Companies

67% Increase

Estimated Cost of Prior Authorization Denials

Source: Crowe RCA Study (2022)
Patients face higher out-of-pocket costs at the pharmacy counter even though total spending on hospital care is far higher.

Hospital spending is much higher than prescription drug spending.

Yet patients pay more out-of-pocket for medicines than for hospital care.

Prior Authorizations are Complex Transactions

- **Phone/Fax**: 33% of transactions
- **Web portals**: 54% of transactions
- **Electronic standard (X12 278)**: 13% of transactions

**LABOR COSTS ASSOCIATED WITH PROCESSING PRIOR AUTHORIZATIONS**

$32 BILLION

- **Requirements discovery**: Authorization requirements are not readily accessible based on member’s plan
- **Portal fatigue**: Providers navigating 10-15 payer web portals based on service type
- **Medical chart chasing**: Clinical documentation is disorganized and time-consuming to review
- **Retrospective process**: Process occurs after order – payers perceived as “denying” care
Prior Authorization Programs are Growing

Prior authorization, a form of utilization management, is the primary way to manage healthcare spend.

Medical Spend for Selected High-Volume PA Categories ($ billions)
Total: $1,006 billion

- Specialty Drugs $328 (33%)
- Retail Drugs $333 (33%)
- Surgery $223 (22%)
- Radiology $67 (7%)
- Lab $45 (4%)
- DME $8 (1%)

CMS Announces Medicare Prior Authorization for 6 Lower Limb Prosthetic Codes (2020)

Establishment of a prior authorization process for DMEPOS items that are frequently subject to unnecessary utilization.

Two Largest Payers Start Lab Test Pre-Authorization (2017)

Actions by UnitedHealthcare, Anthem bring genetic test prior-authorizations to 80 million people.
How does prior authorization affect the industry?

- Access to patients coming out of expanded access programs
- Staying away from products requiring prior authorization
- HCPs not knowing how to handle denials
- The AMA found that among 2400 physicians, almost two-thirds waited several days to receive PA for drugs.
- Learning the approval processes will enhance patient access to timely, appropriate care and minimize potential disruptions.

"The AMA survey continues to illustrate that poorly designed, opaque prior authorization programs can pose an unreasonable and costly administrative obstacle to patient-centered care,"

-AMA Chair Jack Resneck, Jr., M.D
February, 2019
Proper Education & Training is Key

- Keep Up with Industry Standards
- Streamline Access to Needed Medications & Services
- Provide Team with Specialized Knowledge
- Enhance Confidence in Your Organization
- Increase Performance & Effectiveness
ACCMEDIC

Kelly Johnson, LPN, PACS

ACCREDITE

NBPAS is the only IACET/ANSI Accredited Organization focused on prior authorization

EXCELLENCE

Streamline the reimbursement and prior authorization process
Curriculum Key Areas

- Technical Competencies
- Clinical Understanding
- Regulatory & Compliance
- Minimizing Denials
- Processes
Exploring PACS™

In 40 of the top 50 pharma companies
Developed by Expert Insiders
Trusted by Regulators.
Interactive.
Updated Quarterly
Comprehensive
Industry Acknowledged Leadership

I had a great experience! In terms of the program and design, the content is great. I am already seeing benefits in my role. There are things that I learned in the PACS program that I'm using in my conversations with the physicians and nurses. There is tremendous value in the PACS program.”

Anil Bulchandani, MBA, LSSBB, PACS
Field Reimbursement Manager
Industry Acknowledged Leadership

The PACS Program is designed very well. It helped me sharpen my skills in this area. Overall great course and great learning experiences. There are so many topics that helped me clear my concepts and I will definitely implement that during my routine job.

Jayshree Patil, PACS Coordinator, Prior Authorization – Beth Israel Lahey Health
Benefits of Accreditation & Certification

- Improve patient care by minimizing variations in knowledge & skills
- Save Time & Improve Efficiencies by managing workflows & processes more effectively
- Promotes a culture of excellence & strengthens HCP & patient confidence
- Provides an objective picture of clinical, technical and business excellence
Conclusion

- Processing PA’s can be a complex process involving many entities

- There are many potential barriers in the PA process that can delay patient care

- PA’s are costly and result in significant challenges for patients and stakeholders

- PA’s continue to be a leading cause of patient access delays

- Education and certification is the best method to efficiently process PA’s
ACMA PACS Website: https://www.priorauthtraining.org/

Field Reimbursement & Prior Auth AI Website: https://reimbursementai.org/

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Thank you!