

WEBINAR SESSION

Tackling the Challenge: Understanding and Navigating Prior Authorization in Healthcare

Presented by the ACMA



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Intercept Pharmaceuticals

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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

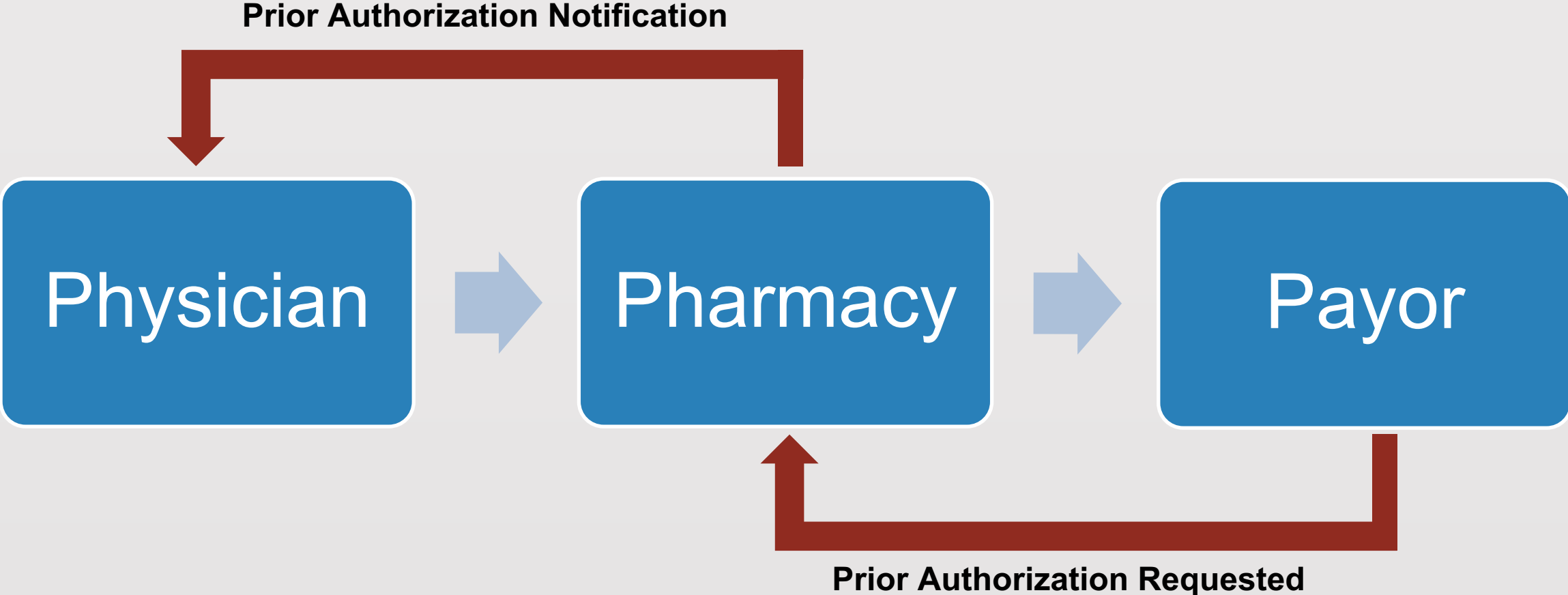
Who is included in the process?

- ❖ Physicians, health plans, medical/billing specialists, pharmacists, pharmacy technicians, administrative staff, etc.

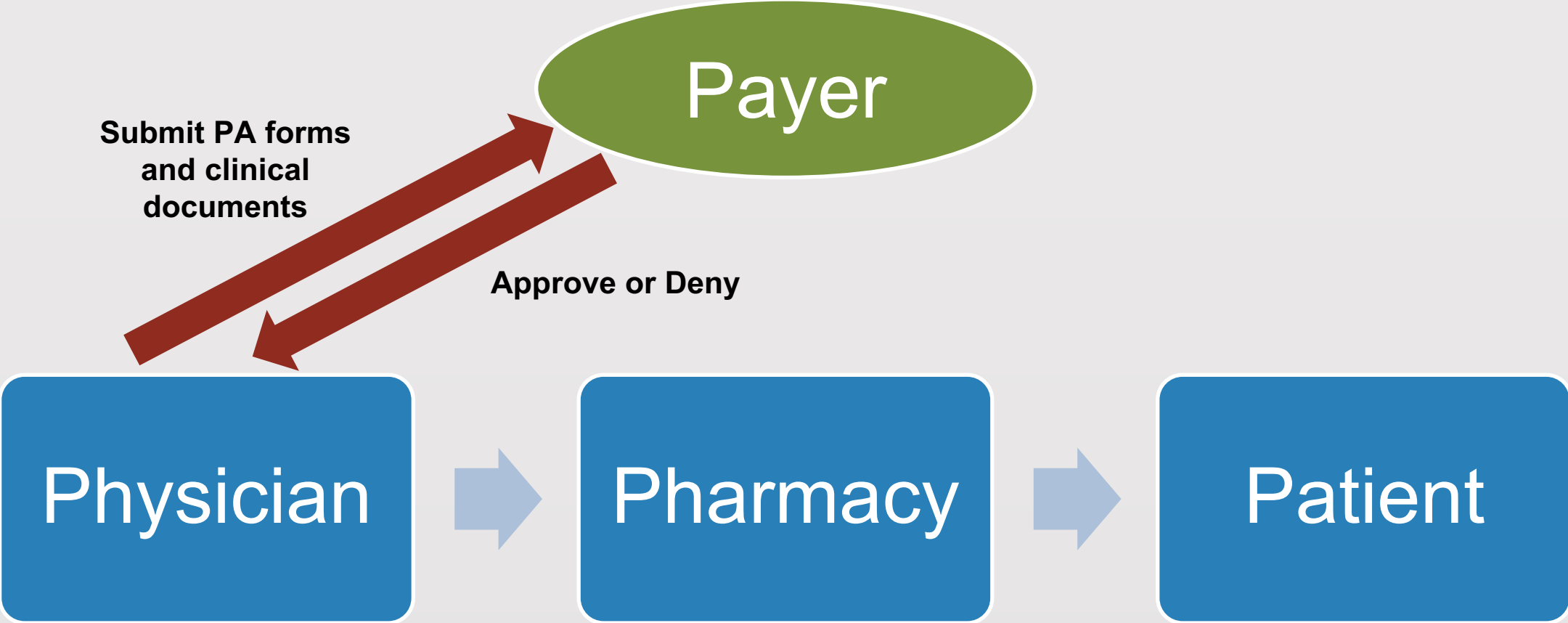
What Requires a PA?

- 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

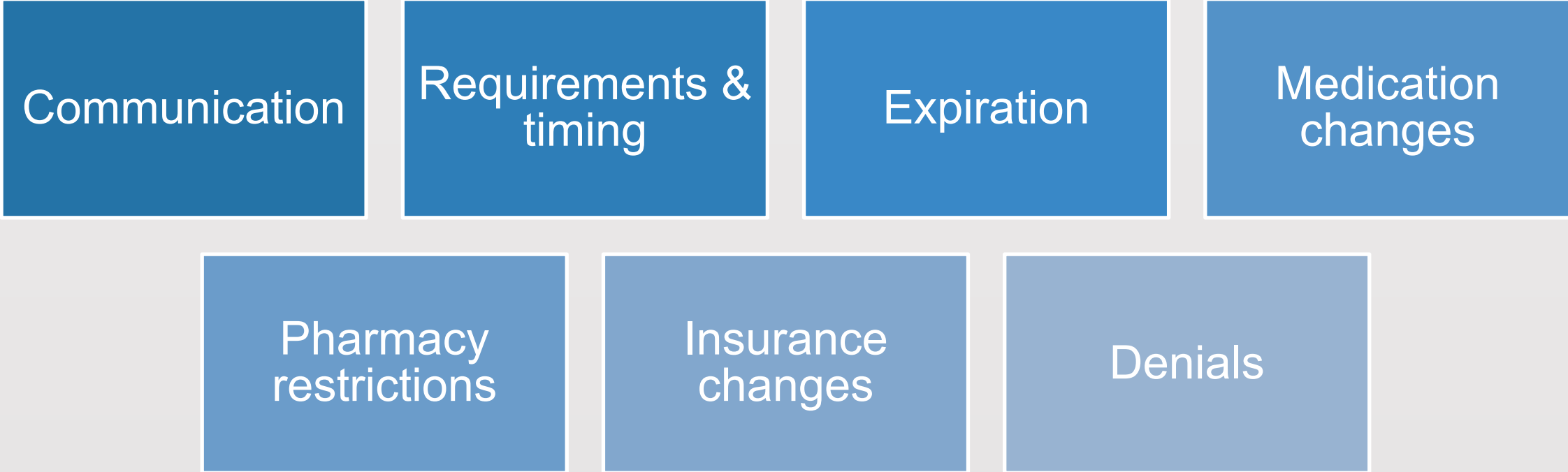
Prior Authorization Workflow



Prior Authorization Workflow



Prior Authorization Delays





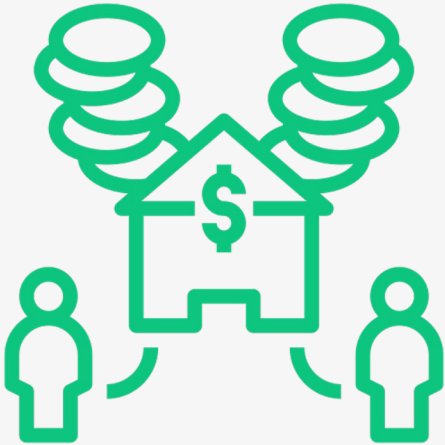
Patient Access

A product only matters when the patient uses it

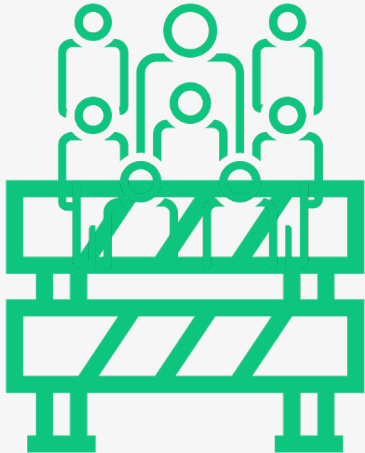
Patient Access



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 Delays¹

“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...”²



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

²Tackling the Prior Authorization Challenge: A Critical Task for Pharma, May 4, 2017, by Dan Rubin

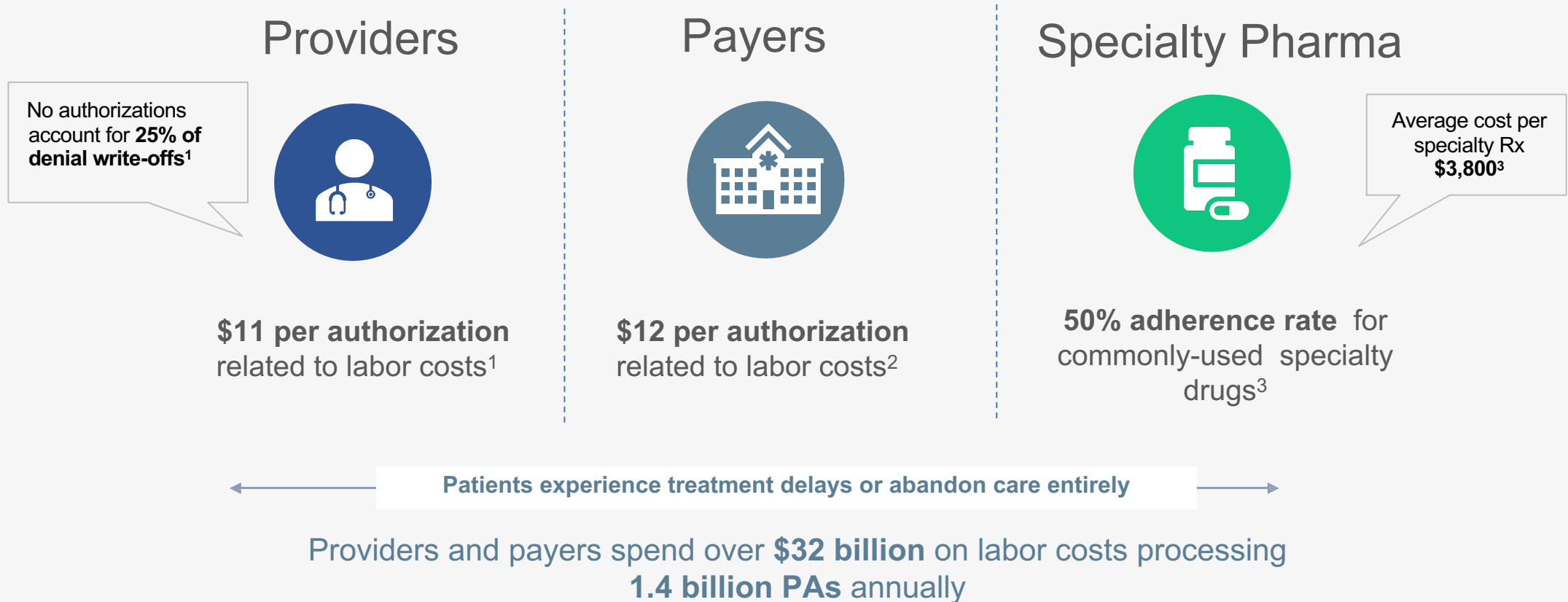
Prior Authorization: Change in PA burden over the last 5 years

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



Source: American Medical Association, Survey, 2019

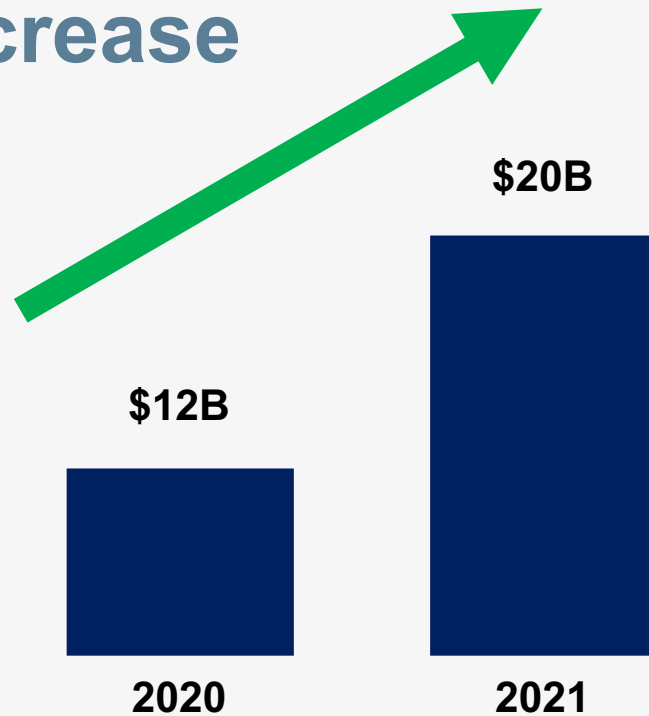
Prior Authorizations: A Costly Step in Patient Access



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



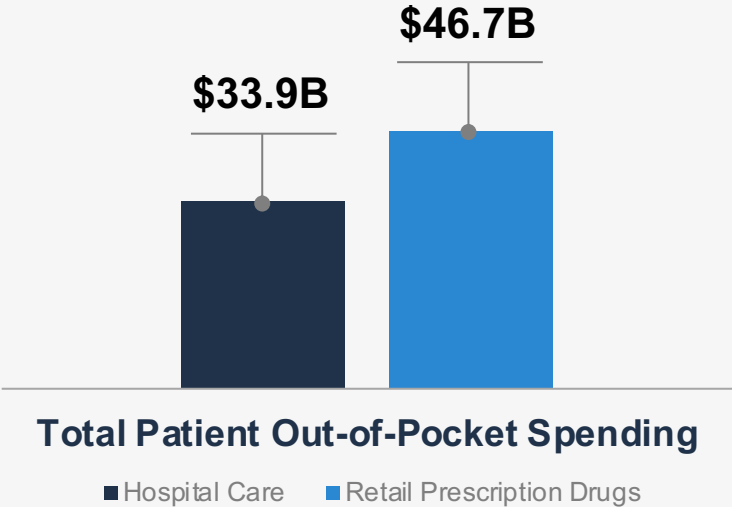
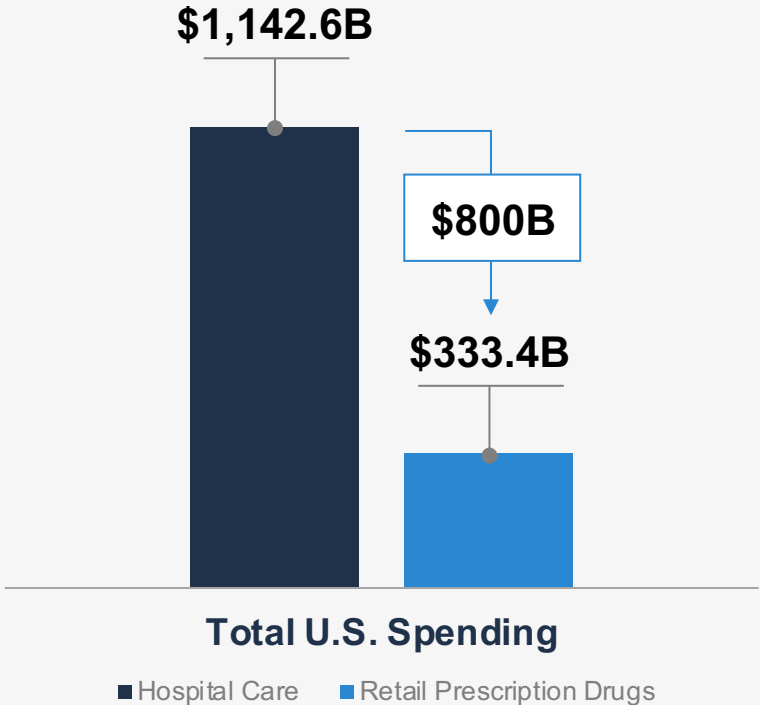
Estimated Cost of Prior Authorization Denials

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.



Source: Drug Channels Institute analysis of National Health Expenditure Accounts, Office of the Actuary in the Centers for Medicare & Medicaid Services, December 2018. Outpatient prescription drug figures exclude inpatient prescription drug spending within hospitals and nearly all provider-administered outpatient drugs. Figures in billions.

Prior Authorizations are Complex Transactions



Phone/Fax

33% of transactions¹



Web portals

54% of transactions¹



Electronic standard (X12 278)

13% of transactions¹

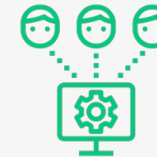
LABOR COSTS
ASSOCIATED WITH
PROCESSING PRIOR
AUTHORIZATIONS

**\$32
BILLION**



Requirements discovery

Authorization requirements are not readily accessible based on member's plan



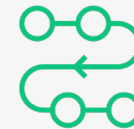
Portal fatigue

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

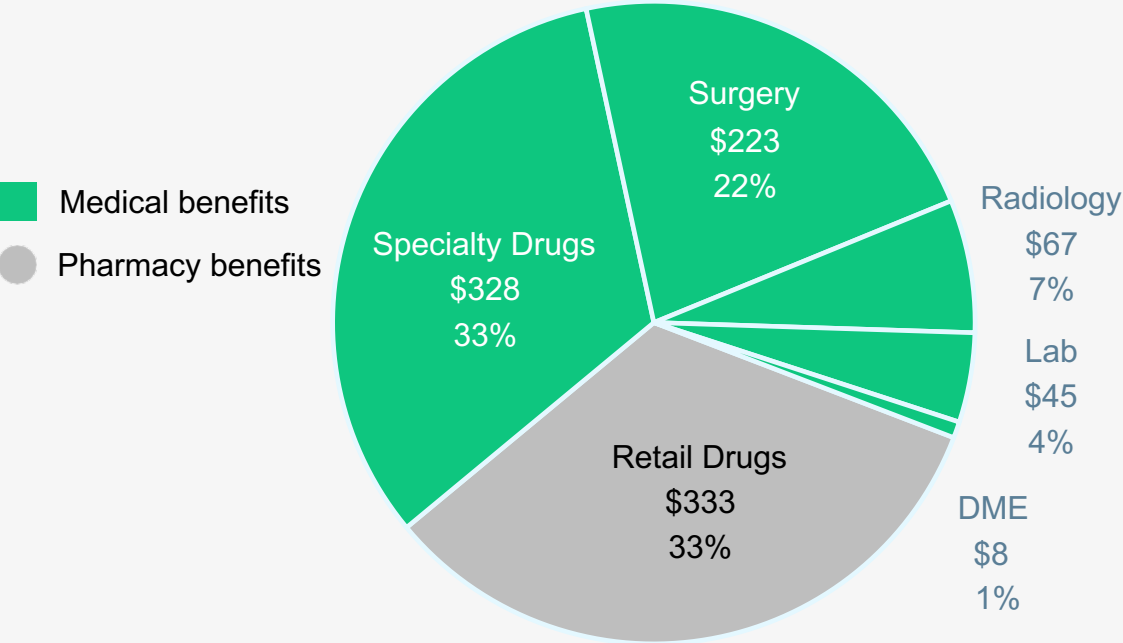
Process occurs after order – payers perceived as “denying” care

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



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





Kelly Johnson, LPN, PACS

EXCELLENCE

Streamline the reimbursement and prior authorization process

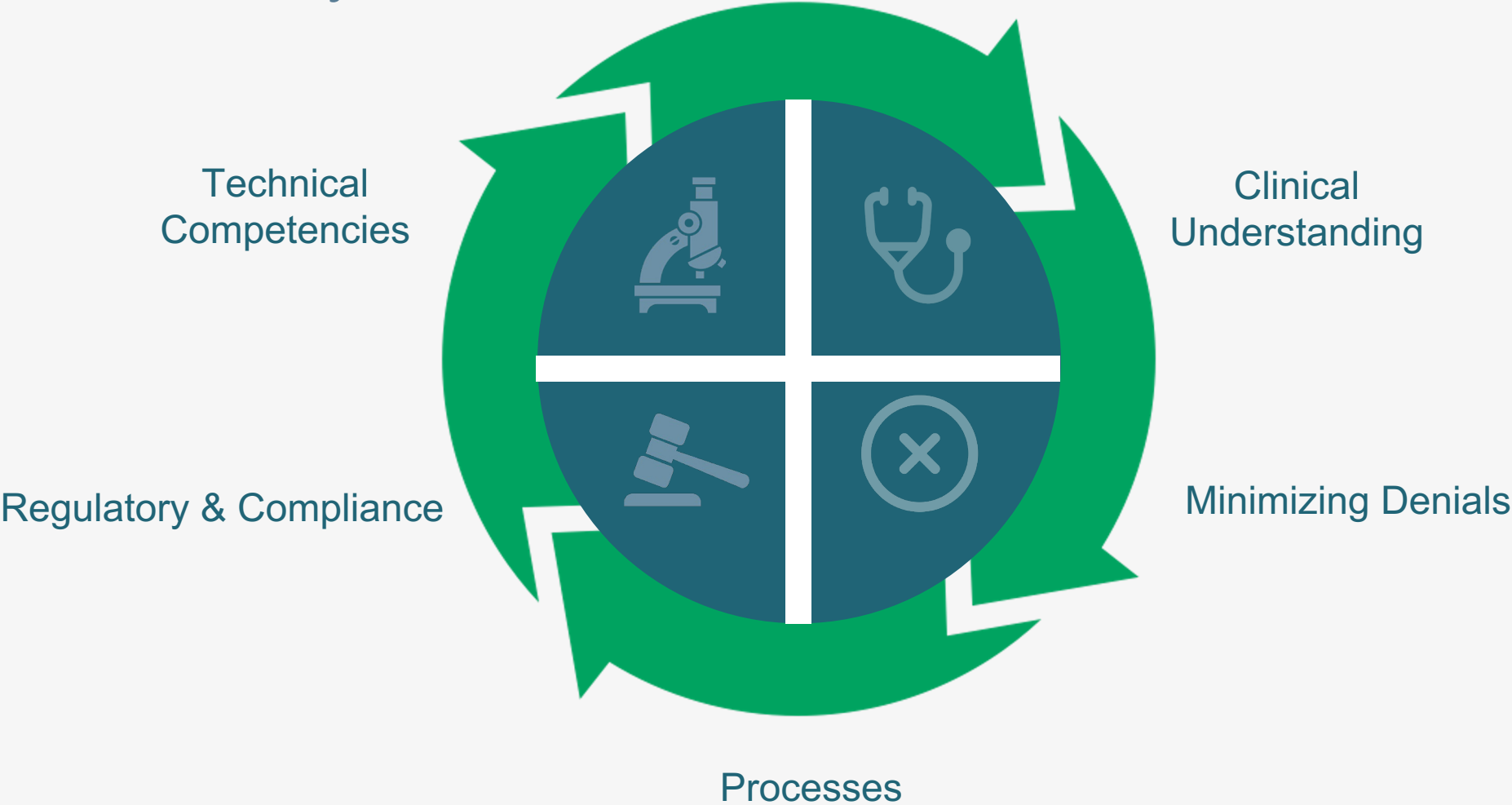
ACCREDITED

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





Curriculum Key Areas



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



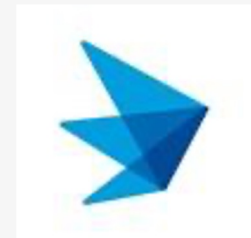
Industry Acknowledged Leadership



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.

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Jayshree Patil, PACS
Coordinator, Prior Authorization –
Beth Israel Lahey Health



Benefits of Accreditation & Certification



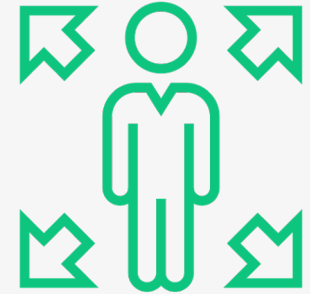
Improve patient care by minimizing variations in knowledge & skills



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://reimbursementtai.org/>

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Thank you!

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