

# HIPAA and Automating Prior Authorization: The Health Plan Perspective

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**BlueCross  
BlueShield**  
Association

Blue Cross Blue Shield Association is an association of independent Blue Cross and Blue Shield companies.

## Agenda

- Blue Cross Blue Shield Association Overview
- Why Prior Authorization?
- Some Options To Enable More Successful Prior Authorization

## Blue Cross Blue Shield Association

- National association of 36 independent, community-based and locally operated Blue Cross Blue Shield companies
- Owns and manages the Blue Cross and Blue Shield trademarks and names in more than 170 countries around the world
- Grants licenses to independent companies to use the trademarks and names in exclusive geographic areas

## Blue Cross Blue Shield Association

- Participates actively in many industry organizations and initiatives
  - CAQH CORE
  - Da Vinci Project
  - Health Level 7 International (HL7)
  - HIMSS
  - National Uniform Billing Committee (NUBC)
  - National Uniform Claim Committee (NUCC)
  - Workgroup for Electronic Data Interchange (WEDI)
  - X12

## Why Prior Authorization?

- Ensures access to safe and effective treatments so patients receive the care they need at a price they can afford
- Encourages adherence to evidence-based medicine
- Helps address the considerable gaps that may exist between the treatments and services that work best and the care actually being delivered to patients

## Why Prior Authorization?

- Ensures Safe And Effective Treatments
  - It helps prevent medical errors that can place an individual's health in jeopardy
    - including the underuse of effective care and the overuse of care that is unproven or known to be ineffective
    - Health plans seek input from medical professionals to set medical and pharmacy policies that support adherence to current scientific evidence
  - It confirms the intention and rationale of prescribers
    - for use of drugs or devices for indications not approved by the U.S. Food and Drug Administration or supported by medical evidence
    - This helps ensure patients are not placed at risk.
  - It monitors medications with a high potential for misuse or abuse

## Why Prior Authorization?

- Promotes More Affordable, Patient-focused Care
  - Often used for services that have limited clinical evidence, when there are equally effective, lower-cost alternatives available and/or for which there is evidence of fraud, waste and abuse (e.g., durable medical equipment, home health)
    - Helps to reduce spending on unnecessary care
    - Ensures premiums are more affordable for all consumers
  - Critical to the delivery of patient-focused care and does not create inappropriate barriers to necessary services
    - Ensures services are being ordered in the best interest of – and with the knowledge of – the patient
    - Health plans partner with physicians, pharmacists, medical groups and hospitals to identify opportunities to improve the process, promote quality and affordable health care and reduce unnecessary burdens.

## Some Options To Enable More Successful Prior Authorization

- Use processes that:
  - Protect patients, rely on evidence-based practices and prevent unnecessary cost but does not delay or inhibit access to needed services or impose an undue administrative burden on plans and providers
  - Streamlines communication providers and plans and expedites submission and review of documentation



## Some Options To Enable More Successful Prior Authorization

- Overcome Barriers:
  - Significantly reduce use of fax machines for data submission
  - Encourage adoption of full-risk value-based care arrangements and reduce barriers to high-performing, risk-sharing providers to take on PA functions
  - Encourage EMR vendors to design electronic PA solutions that are affordable and simple to implement for both providers and plans, e.g.
    - Support electronic submission of attachments without additional cost to the end user in the absence of a HIPAA attachment standard mandate
    - Support use of emerging technologies for submission of additional information

## Some Options To Enable More Successful Prior Authorization

- Real-time prior authorization through automation for medical services
- Incorporate prior authorization into electronic medical record (EMR) systems for a meaningful, long-term impact to streamlining prior authorization, i.e. accelerating determinations, improving communications, reducing costs associated with processing and reducing provider paperwork
  - Already available for dental services
  - Likely to be available widely for prescriptions
  - Automating medical services is significantly more complicated given the scope of treatments and services, conditions and sites of care to which a prior authorization request can apply

## QUESTIONS & CONTACT



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