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HIPAA and Automating Prior Authorization: The Physician Perspective

HIPAA Summit
March 5, 2020

Heather McComas, PharmD
Director, Administrative Simplification Initiatives
American Medical Association

Agenda

- **Why all the ruckus about prior authorization (PA)?**
  - AMA PA physician survey data
  - Grassroots efforts: Putting a human face on the issue
- **Roll up our sleeves: PA reform initiatives**
  - Prior Authorization and Utilization Management Reform Principles
  - Consensus Statement on Improving the Prior Authorization Process
- **So how's that working for you?**
  - Status of PA automation efforts
  - Statement of the facts
  - What now?
- **Questions**

AMA PA physician survey results

Lase Ajayi, MD
Member since 2013

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2018 AMA PA Survey Overview

- 1000 practicing physician respondents
- 40% PCPs/60% specialists
- Web-based survey
- 29 questions
- Fielded in December 2018

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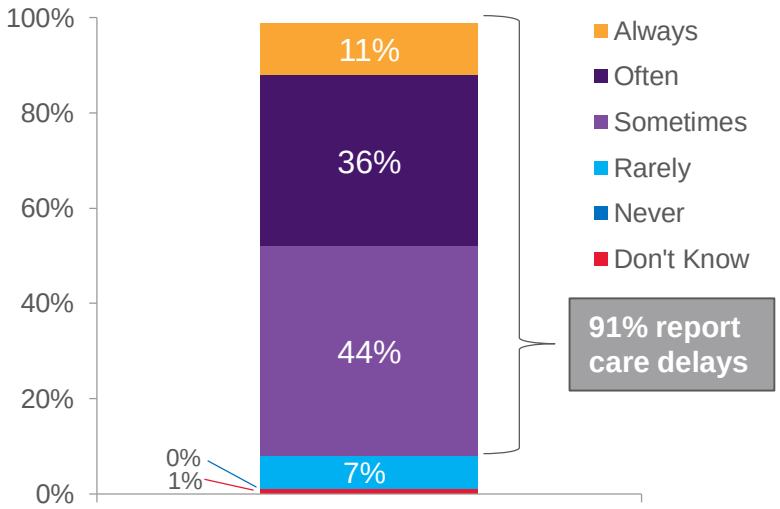
Care Delays Associated With PA

Question: For those patients whose treatment requires PA, how often does this process delay access to necessary care?

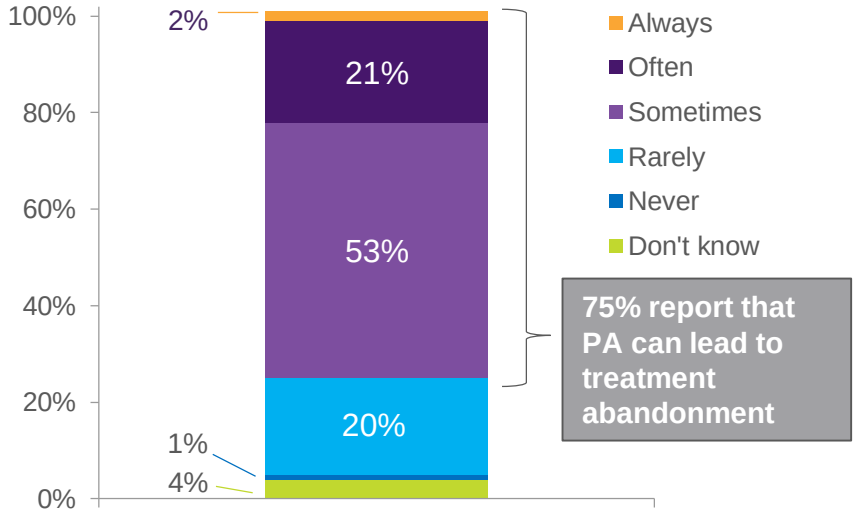


Source: 2018 AMA Prior Authorization Physician Survey

Percentage does not equal 100% due to rounding.

Treatment Abandonment Associated With PA

Question: How often do issues related to the PA process lead to patients abandoning their recommended course of treatment?



Source: 2018 AMA Prior Authorization Physician Survey

Percentage does not equal 100% due to rounding.
Subgroup percentage sums to 75% due to rounding.

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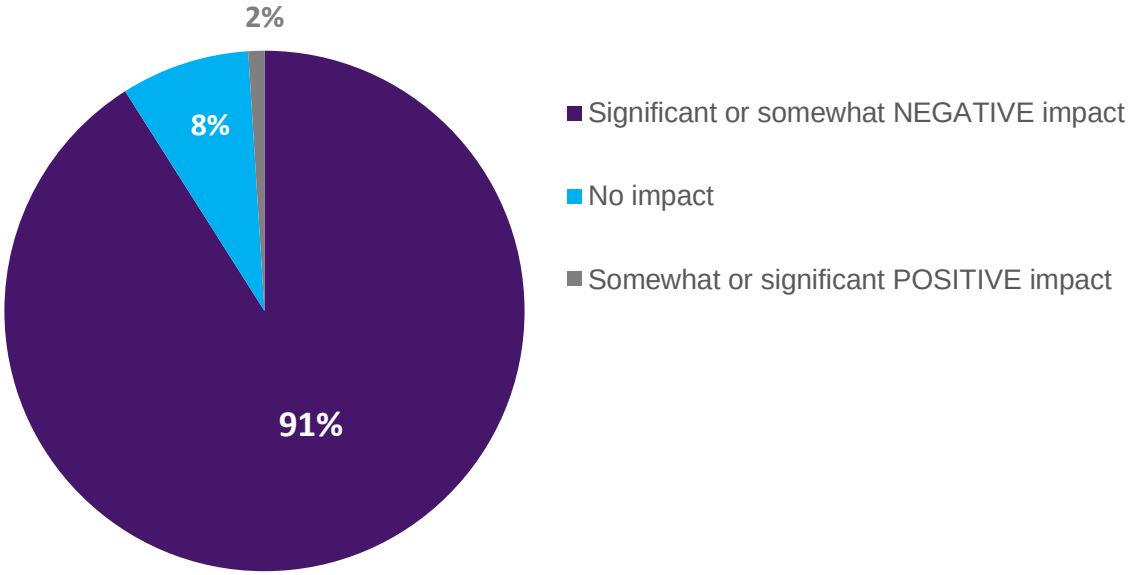
Impact of PA on Clinical Outcomes

Question: For those patients whose treatment requires PA, what is your perception of the overall impact of this process on patient clinical outcomes?



Source: 2018 AMA Prior Authorization Physician Survey

Percentage does not equal 100% due to rounding.

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Serious Adverse Events Attributed to PA

Question: In your experience, has the PA process ever affected care delivery and led to a serious adverse event (e.g., death, hospitalization, disability/permanent bodily damage, or other life-threatening event) for a patient in your care?

28% of physicians report that PA has led to a serious adverse event for a patient in their care

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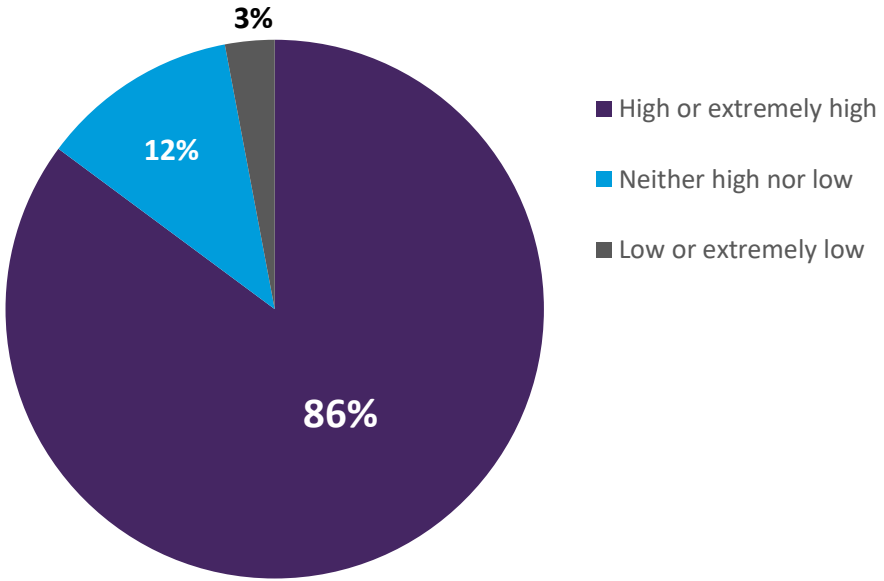
Physician Perspective on PA Burdens

Question: How would you describe the burden associated with PA in your practice?



Source: 2018 AMA Prior Authorization Physician Survey

Percentage does not equal 100% due to rounding.

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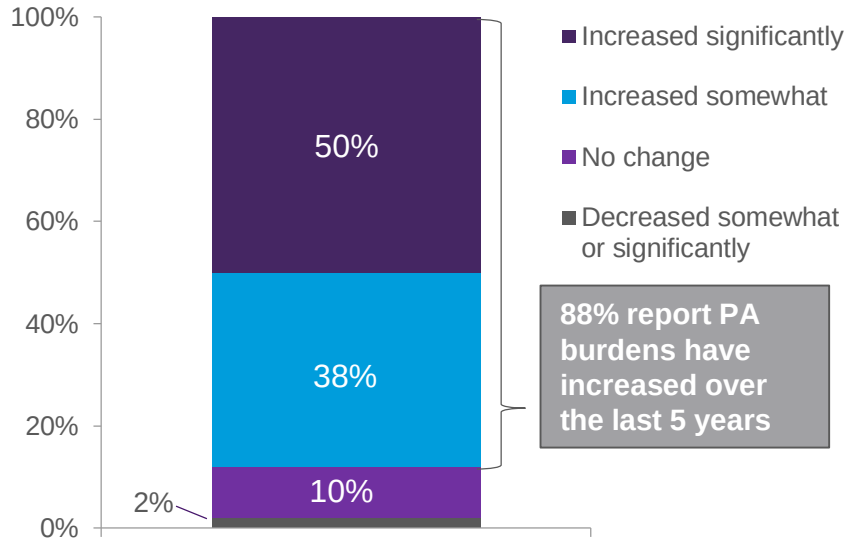
Change in PA Burden Over the Last 5 Years

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



Source: 2018 AMA Prior Authorization Physician Survey

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Additional PA Practice Burden Findings

- **Volume**
  - On average, practices complete **31 PAs** per physician per week
- **Time**
  - Average of **14.9 hours (approximately two business days)** spent each week by the physician/staff to complete this PA workload

- **Practice resources**
  - **36%** of physicians have staff who work exclusively on PA

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Grassroots efforts: Putting a human face on the issue

Nicole Plenty, MD
Member since 2008

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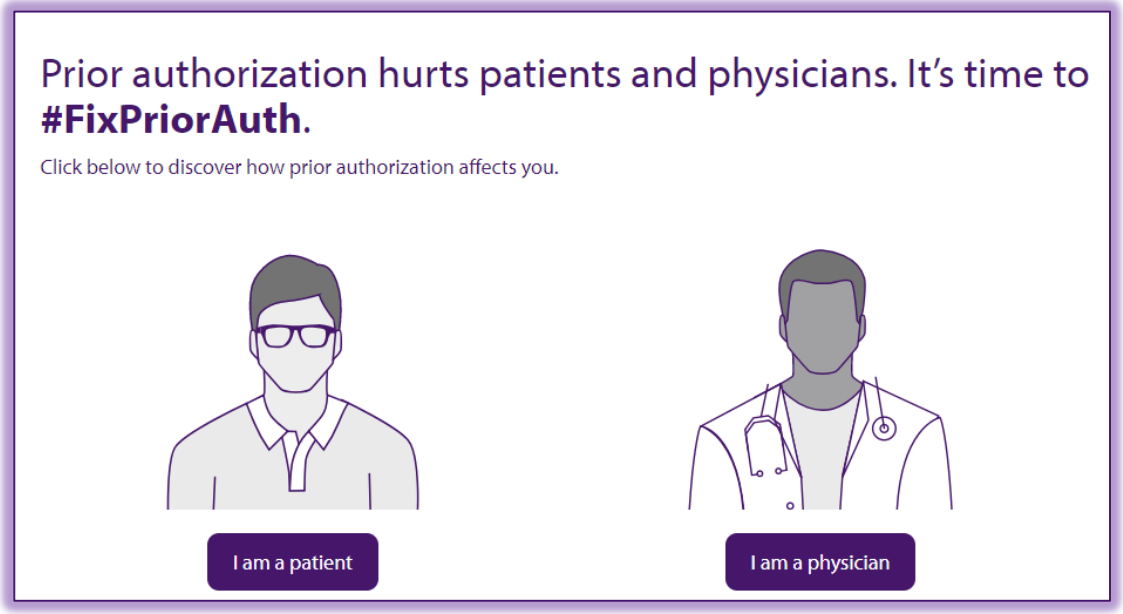
AMA Grassroots Website: FixPriorAuth.org



- Physician and patient tracks
- Social media campaign drives site traffic and conversation
- Call to action: Share your story
- Stories collected in site gallery
- Patient/physician PA stories also captured on camera
- Petition to Congress urging PA reform

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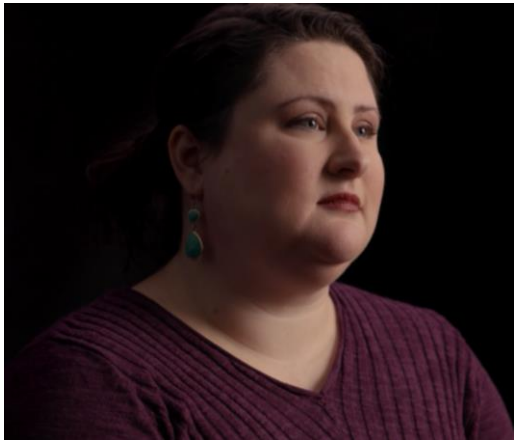
Prior Authorization Hurts Patients

"I have often thought, in retrospect, after my son passed away, if the scans had been done on time, maybe it would have been caught sooner. Possibly, it could have saved his life."

- Linda Haller, Maryland



"About three years ago, my husband changed jobs and insurances…I was already on medicine and had to wait for my refill. But I couldn't get them without the prior authorization process…I missed doses…I felt like everything broke down."

- Candace Myers, Georgia

"If I had to wait until the insurance company actually gave their approval, I may have been in a position where any oncologist would have said, 'No, there's nothing we can do for you now.'"

- Kathryn Johanessen, Connecticut

Watch the video at FixPriorAuth.org

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Physicians and Patients Speak Out on PA

Physicians Grassroots Network Retweeted

Jillian David @JillianDavid13 · Feb 3

Hey, vacation week. So much fun to be doing a freakin' PRIOR AUTH on a pt who was "no-problem to schedule" last week for their cardiac procedure tomorrow. Now it's an issue? The day before, and suddenly insurance don't think it's necessary?

This is why we all hate insurance co's

Ashley @ashleymkumm · Jan 4

Replying to @tnicholsmd

Patient here 🙋‍♀️ went back and forth for about a month with my insurance for coverage for a colonoscopy (extensive family hist. Of colon cancer). My GI doctor fought to finally get it approved and ultimately found a precancerous polyp.

PatientAction Retweeted

Maria Miller @mari1967 · Feb 3

Agggggggh.... My "insurance" is refusing to approve my fill for my injectable for RA. They want me to take the pills first but I can't because of the gastric bypass. With the pills I won't be getting enough meds in my system due to the malabsorption from my bypass. 👹 #Priorauth

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Roll up our sleeves: Reform initiatives

Toms V. Thomas, MD
Member since 2017

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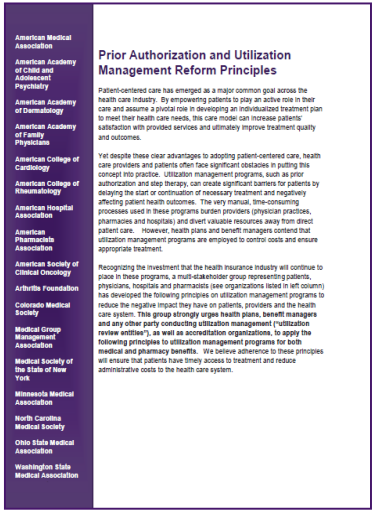
Prior Authorization and Utilization Management Reform Principles

- Released in **January 2017** by coalition of AMA and 16 other organizations
- Underlying assumption: utilization management will continue to be used for the foreseeable future
- Sound, common-sense concepts
- 21 principles grouped in 5 broad categories:
  - Clinical validity
  - Continuity of care
  - Transparency and fairness
  - Timely access and administrative efficiency
  - Alternatives and exemptions


American Medical Association
American Academy of Child and Adolescent Psychiatry
American Academy of Dermatology
American Academy of Family Physicians
American College of Cardiology
American College of Rheumatology
American Hospital Association
American Pharmacists Association
American Society of Clinical Oncology
Arthritis Foundation
Colorado Medical Society
Medical Group Management Association
Medical Society of the State of New York
Minnesota Medical Association
North Carolina Medical Society
Ohio State Medical Association
Washington State Medical Association

Prior Authorization and Utilization Management Reform Principles

Patient-centered care has emerged as a major common goal across the health care industry. By empowering patients to play an active role in their care and assume a pivotal role in developing an individualized treatment plan to meet their health care needs, this care model can increase patients' satisfaction with provided services and ultimately improve treatment quality and outcomes.

Yet despite these clear advantages to adopting patient-centered care, health care providers and patients often face significant obstacles in putting this concept into practice. Utilization management programs, such as prior authorization and step therapy, can create significant barriers for patients by delaying the start or continuation of necessary treatment and negatively affecting patient health outcomes. The very manual, time-consuming processes used in these programs burden providers (physician practices, pharmacies and hospitals) and divert valuable resources away from direct patient care. However, health plans and benefit managers contend that utilization management programs are employed to control costs and ensure appropriate treatment.

Recognizing the investment that the health insurance industry will continue to place in these programs, a multi-stakeholder group representing patients, physicians, hospitals and pharmacists (see organizations listed in left column) has developed the following principles on utilization management programs to reduce the negative impact they have on patients, providers and the health care system. **This group strongly urges health plans, benefit managers and any other party conducting utilization management ("utilization review entities"), as well as accreditation organizations, to apply the following principles to utilization management programs for both medical and pharmacy benefits.** We believe adherence to these principles will ensure that patients have timely access to treatment and reduce administrative costs to the health care system.

Link to Principles: https://www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/principles-with-signatory-page-for-slsc.pdf

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Prior Authorization Reform Workgroup

- American Medical Association
- American Academy of Child and Adolescent Psychiatry
- American Academy of Dermatology
- American Academy of Family Physicians
- American College of Cardiology
- American College of Rheumatology
- American Hospital Association
- American Pharmacists Association
- American Society of Clinical Oncology
- Arthritis Foundation
- Colorado Medical Society
- Medical Group Management Association
- Medical Society of the State of New York
- Minnesota Medical Association
- North Carolina Medical Society
- Ohio State Medical Association
- Washington State Medical Association

Over 100 additional organizations have signed on as supporters of the Workgroup efforts following the January 2017 release of the Principles.

Consensus Statement on Improving the Prior Authorization Process

- Released in **January 2018** by the AMA, American Hospital Association, America's Health Insurance Plans, American Pharmacists Association, Blue Cross Blue Shield Association, and Medical Group Management Association
- Five reform categories addressed:
  - Selective application of PA
  - PA program review and volume adjustment
  - Transparency and communication regarding PA
  - Continuity of patient care
  - Automation to improve transparency and efficiency
- **GOAL**: Promote safe, timely, and affordable access to evidence-based care for patients; enhance efficiency; and reduce administrative burdens

Consensus Statement on Improving the Prior Authorization Process

Our organizations represent health care providers (physicians, pharmacists, medical groups, and hospitals) and health plans. We have partnered to identify opportunities to improve the prior authorization process, with the goals of promoting safe, timely, and affordable access to evidence-based care for patients; enhancing efficiency; and reducing administrative burdens. The prior authorization process can be burdensome for all involved—health care providers, health plans, and patients. Yet, there is wide variation in medical practice and adherence to evidence-based treatment. Communication and collaboration can improve stakeholder understanding of the functions and challenges associated with prior authorization and lead to opportunities to improve the process, promote quality and affordable health care, and reduce unnecessary burdens.

The following five areas offer opportunities for improvement in prior authorization programs and processes that, once implemented, can achieve meaningful reform.

1. **Selective Application of Prior Authorization.** Differentiating the application of prior authorization based on provider performance on quality measures and adherence to evidence-based medicine or other contractual agreements (i.e., risk-sharing arrangements) can be helpful in targeting prior authorization requirements where they are needed most and reducing the administrative burden on health care providers. Criteria for selective application of prior authorization requirements may include, for example, ordering/prescribing patterns that align with evidence-based guidelines and historically high prior authorization approval rates.

   We agree to:

   - *Encourage the use of programs that selectively implement prior authorization requirements based on stratification of health care providers' performance and adherence to evidence-based medicine*
   - *Encourage (1) the development of criteria to select and maintain health care providers in these selective prior authorization programs with the input of contracted health care providers and/or provider organizations; and (2) making these criteria transparent and easily accessible to contracted providers*

Link to Consensus Statement: https://www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/public/arc-public/prior-authorization-consensus-statement.pdf

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1

Link to Consensus Statement: https://www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/public/arc-public/prior-authorization-consensus-statement.pdf

AHIP Electronic PA Initiative

NEWS

AHIP

New Fast PATH Initiative Aims To Improve Prior Authorization For Patients And Doctors

posted by Cathryn Donaldson
on January 6, 2020

AHIP and several prominent health insurance providers – covering over 60 million lives – are launching a new program to automate and speed prior authorization review and approval

WASHINGTON, D.C. – Patients deserve access to the safest, most effective and highest-quality care. To achieve that goal, health insurance providers may use prior authorization – a systematic approach based on clinical evidence and data that ensures patients receive safe and effective treatments. Today, America's Health Insurance Plans (AHIP), along with several of our member insurance providers, is launching the *Fast Prior Authorization Technology Highway (Fast PATH)* initiative to improve the prior authorization process.

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Status of PA automation efforts

Magda Houlberg, MD
Member since 2003

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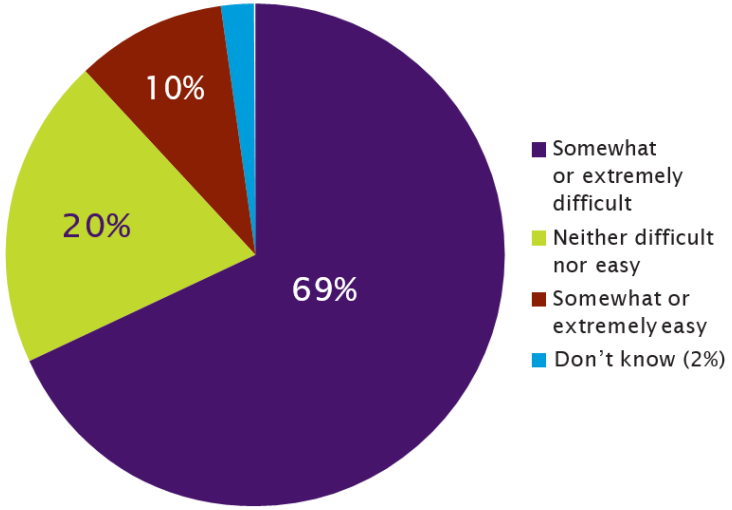
Transparency and Communication Regarding PA



Total does not sum to 100% due to rounding.

Q: How difficult is it for you and/or your staff to determine whether a prescription medication or medical service requires prior authorization?

- Almost seven in 10 (**69%**) physicians report that it is difficult to determine whether a prescription or medical service requires PA.

Source: 2018 AMA Prior Authorization Physician Survey

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Automation to Improve Transparency and Efficiency

- Physicians report **phone and fax** as the most commonly used methods for completing PAs. Moreover, only **21%** of physicians report that their EHR* system offers electronic PA for prescription medications.

Method	Prescription PAs (% use always or often)	Medical service PAs (% use always or often)
Phone	60%	61%
Fax	46%	47%
EHR/PMS*	40%	23%
Plan portal	31%	27%
Email or U.S. mail	15%	17%

Q: Please indicate how often you and/or your staff use each of the following methods to complete PAs for prescription medications/medical services.

*EHR = electronic health record; PMS = practice management system.
Source: 2018 AMA Prior Authorization Physician Survey

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X12 278: Just the Facts (or Should We Say . . . Fax?)

- X12 278 Health Care Services Review - Request for Review and Response is HIPAA-mandated transaction for electronic PA
- X12 278 adoption reported at 13%, per 2019 CAQH Index*
- For comparison: X12 837 electronic claim adoption is 96%*
- X12 278 can carry only the most basic clinical data
- Most medical service PAs require additional supporting documentation, yet there is currently no standard way to exchange clinical data

*Source: 2019 CAQH Index Report

Missing: Have You Seen this Rule?

- Over 20 years have passed since the original HIPAA legislation included attachments as a transaction in need of standardization
- Lack of a HIPAA-mandated electronic attachment standard is a **rate-limiting factor** in automation of medical services PA
- June 2014 NCVHS vendor testimony on attachments indicated that the **"uncertainty in the area has had a paralyzing effect"** and serves as a disincentive for vendors to allocate resources to attachment development
- CMS included attachments on its 2018 Regulatory Agenda
- Vendors, providers, and health plans all need clear direction now so that the industry can begin development and implementation plans

Meanwhile, in Another Standards Organization . . .

- HL7 Da Vinci Project
  - A private-sector initiative that is leveraging HL7 Fast Healthcare Interoperability Resources (FHIR) to improve data sharing in value-based care arrangements
  - Solution is built around specific use cases
- PA-related use cases
  - Coverage requirements discovery
  - Documentation templates and coverage rules
  - PA support

Now what?

Betty Chu, MD
Member since 1997

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Just a Few *Minor* Questions

- Is X12 278 still the best choice for PA?
- How would/should X12 278 work with FHIR?
- What are practice costs of implementing both X12 278 and FHIR?
- What are implications of FHIR on an attachment standard?
- Do we need a new mandate?
  - What are dangers of abandoning a mandate?
  - Flexibility sounds great . . .but two ways of doing something means we have no standard
- How do we change technologies in a responsible, efficient way that doesn't leave small physician practices behind?
- What are dangers of leaving decisions to those infamous "trading partner agreements"?
  - Many smaller practices do not have negotiating power in contracts with health plans

Let's Find a GPS Signal . . .

- If we aren't ready to make a decision, **we need a plan:**
  - Request HIPAA exception?
  - Pilot with full report of results (e.g., model after 2006 AHRQ e-prescribing pilots)
    - Compare 278 + attachments vs. FHIR-based PA
    - Metrics: costs, efficiency, time to care delivery, scalability, etc.
  - Decision on path forward
- Let's **not** have this exact same conversation next year at the HIPAA Summit!

Challenges and Recommendations

- Rising **volume** of PAs means a heavy programming lift
  - Selective PA application; review/adjust PA lists to remove low-value PAs
- PA processes are still shockingly **manual**
  - Recognition of value in long-term investment
- Lack of **standardization** in PA criteria and data elements
  - Agreement on standard PA data sets by service type would ease implementation burdens and allay privacy/security concerns surrounding bulk data extraction from EHRs
- Lack of **transparency** in data requirements
  - Improved transparency of clinical documentation requirements at point of care will ease provider burdens and may also promote standardization across health plans when commonalities recognized

Contact Us

- Heather McComas, PharmD, Director, AMA Administrative Simplification Initiatives heather.mccomas@ama-assn.org
- Access our resources:

  www.ama-assn.org/prior-auth

  https://fixpriorauth.org/


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