Why It's Time to Change the Prior Authorization Process

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Medical technology and digitization have revolutionized healthcare in Canada and around the world, creating new opportunities and solutions for patients, healthcare providers, and practitioners, including electronic prior authorization for specialty drugs to expediate the prior authorization process.

The insurance industry in Canada is familiar with electronic claims adjudication and should welcome the opportunity for efficiencies in the current largely manual process. The introduction of real time, pay direct, adjudication for prescription drugs in the 1980s and 1990s came with many benefits, including the ability to manage reimbursement through formularies, utilization reports, and developing benchmarking for claims utilization. By 1990, the first 10 specialty drugs were also available in the market. These medications usually come with a high price tag and may require special storage, handling, or administration. To manage access to these medications, insurers began with a manual prior authorization claims review process. Thirty years later, this remains the same, even with an estimated 500 specialty drugs in the market and many more in development.

> PRIVATE PAYERS IN CANADA RECOGNIZE THE NEED TO MOVE TO DIGITIZATION OF A NUMBER OF INSURANCE PROCESSES THAT REMAIN PAPER-BASED, INCLUDING EPA. THE BENEFITS FOR ALL STAKEHOLDERS ARE HIGH AND, AT A TIME WHEN ACCESS TO MEDICAL RESOURCES CAN BE DIFFICULT, HELP RELIEVE OVERALL HEALTHCARE ADMINISTRATIVE BURDEN
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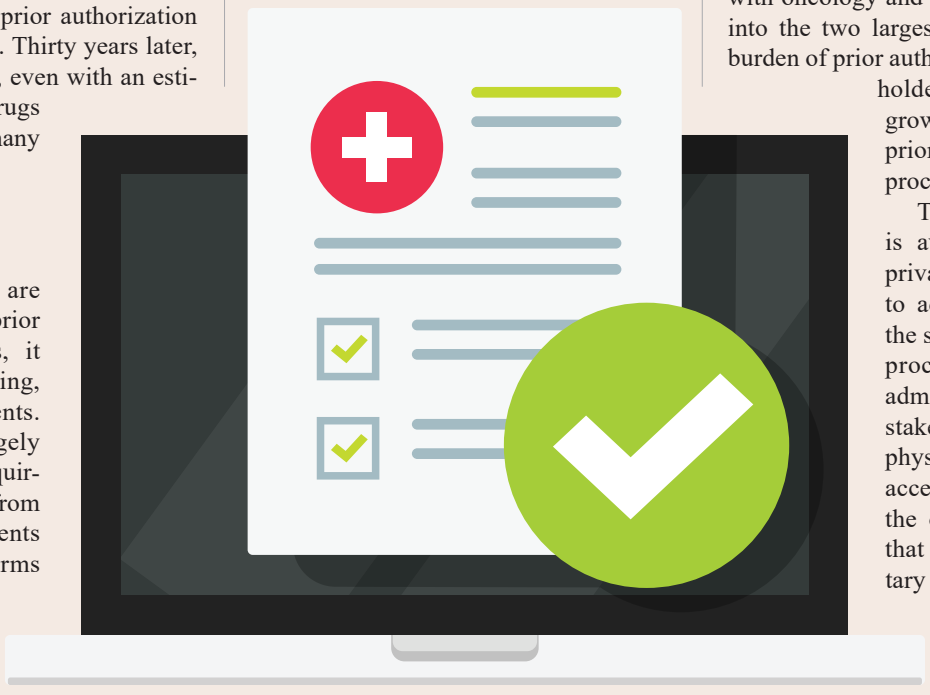
> *– Joan Weir, vice-president, group benefits, Canadian Life and Health Insurance Association*

Wet Signature

To those who are unfamiliar with the prior authorization process, it can be very confusing, particularly to patients. The process is largely paper-based, often requiring wet signatures from prescribers and patients on authorization forms that are unique to the drug prescribed, the indication (disease) and the payer. Once complete and signed by multiple parties, the form is faxed or mailed to insurers with any required medical documentation. In addition to the administrative burden on all parties, the process can take valuable time when the patient may be unable to access their prescribed medication, particularly when there are errors or missing or additional information requirements.



To address the complexities and the burden of the prior authorization process, an industry of third-party assistance programs has evolved. These programs help physicians and patients complete the unique claim form and gather any additional documentation required by payers. Third parties include patient assistance programs, drug access navigators, and pharmacies.

Drug trend reports from Express Scripts show the specialty spend increased from 13.2 per cent of total drug spend in 2007 to 29 per cent in 2021 because of the growing number of patients and the development of new specialty therapies. New drugs in development are largely in the specialty drug space, according to human data science company IQVIA, with oncology and immunology growing into the two largest. The administrative burden of prior authorization on all stakeholders will continue to grow unless an electronic prior authorization (ePA) process is implemented.

Today, the technology is available to Canadian private sector stakeholders to adopt ePA to simplify the submission and claims process, reducing the administrative burden for stakeholders, particularly physicians, and improve access for patients. ePA is the only solution to date that respects the proprietary nature of payer claim requirements and claims criteria.

In the signif-

icantly larger and more complex US market, federal legislation required eRX standards as early as 2003. Since then, there has been a series of ePA related legislations that have addressed capabilities, standards, and technology. Most recently, the Seniors' Timely Access to Care Act passed into law in September 2022, supported by the American Medical Association. It means that more than 28 million Medicare members will benefit from ePA, reducing wait times for medication.

Faster Care

The US private sector has also been active in this space. In 2021, the America's Health Insurance Plans (AHIP) PATH study found that "ePA can significantly reduce the time between a request for prior authorization, a decision, and the time to a patient receiving care." Based on 40,000 transactions over 12 months, 71 per cent of patients received faster care, ePA reduced the time between submitting a PA request and receiving a decision by 69 per cent, and 60 per cent of providers said ePA improved transparency of prior authorization requirements.

In Canada, provincial payers in British Columbia and Ontario have already implemented their own ePA solution. While private payers have shown an interest in ePA, none have made the move to adoption. Until ePA is implemented in the private sector, all stakeholders will continue to experience a heavy administrative burden, particularly physicians, and some patients will experience longer wait times to access specialty medications.

What many Canadians familiar with ePA agree on is that an agnostic ePA platform should be available to all stakeholders in the process. Rather than starting the process themselves, it is likely that physicians will refer patients to patient assistance or support programs, drug access navigators, or specialty pharmacies for assistance with preparing and submitting their ePA claim. This will relieve most of the administrative burden on physicians. Through ePA, claim fields that are unique to each payer for the drug prescribed and indication will be completed online by the assistance provider, the physician, and patient. Electronic signatures will be collected from physicians and patients and only medically relevant files will be attached from a patient's electronic medical record (EMR). Payers can receive submissions electronically via integrations with agnostic ePA solution providers. Approvals, denials, or requests for information can also be made through ePA from the payer to whomever submitted the initial claim.

The success of ePA depends on adoption by prior authorization stakeholders, and physicians are unlikely to assume the role of initiating ePA claims. The US *CoverMyMeds 2020 ePA Report* found that while nearly 100 per cent of US pharmacies, payers, and electronic health records (EHR) had adopted an ePA solution, only 17 per cent of requests started at the prescribing point. This suggests that physicians will not be the linchpin to the success of ePA in Canada. A Canadian ePA solution would have the highest chance of success by engaging the existing prior authorization support infrastructure that currently assists physicians and patients with the PA process. BPM

> ELECTRONIC PRIOR AUTHORIZATION SHOWS PROMISE TO GET THE RIGHT MEDICATION TO THE RIGHT PATIENT AT THE RIGHT TIME. WHEN A PATIENT IS PRESCRIBED A TAILORED TREATMENT OPTION FOR A MODERATE TO SEVERE FORM OF A DISEASE, THEY HAVE OFTEN DEALT WITH LENGTHY WAITS TO GET A DIAGNOSIS AND TRIED FIRST- AND SECOND-LINE THERAPIES THAT DID NOT DO THE TRICK OR EVENTUALLY FAILED THEM. ADMINISTRATIVE DELAYS CAUSED BY OUTDATED, MANUAL, AND PAPER-BASED PROCESSES ADD INSULT TO INJURY. ELECTRONIC PRIOR AUTHORIZATION IS A CREATIVE SOLUTION THAT CAN GET PATIENTS STARTED ON A NEW TREATMENT, AND HOPEFULLY, BACK TO THEIR LIVES
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> *– Rachael Manion, executive director at the Canadian Skin Patient Alliance.*

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