

sPCMA Business
Forum **2017**

Formulary and Prior Authorization in an EHR world

Tony Schueth
Chief Executive Officer & Managing Partner



The EHR market continues to expand as most physicians have integrated the technology into their practices



EHR systems are becoming the digital platforms where doctors live: >80% of office-based physicians are using EHRs and >85% are now e-prescribing



HCPs spend an average of 3.3 hours per day using EHR systems, twice as long as on all other digital resources combined



Opportunities exist to integrate utilization management tools within EHRs and ePrescribing workflow for both specialty and non-specialty medications

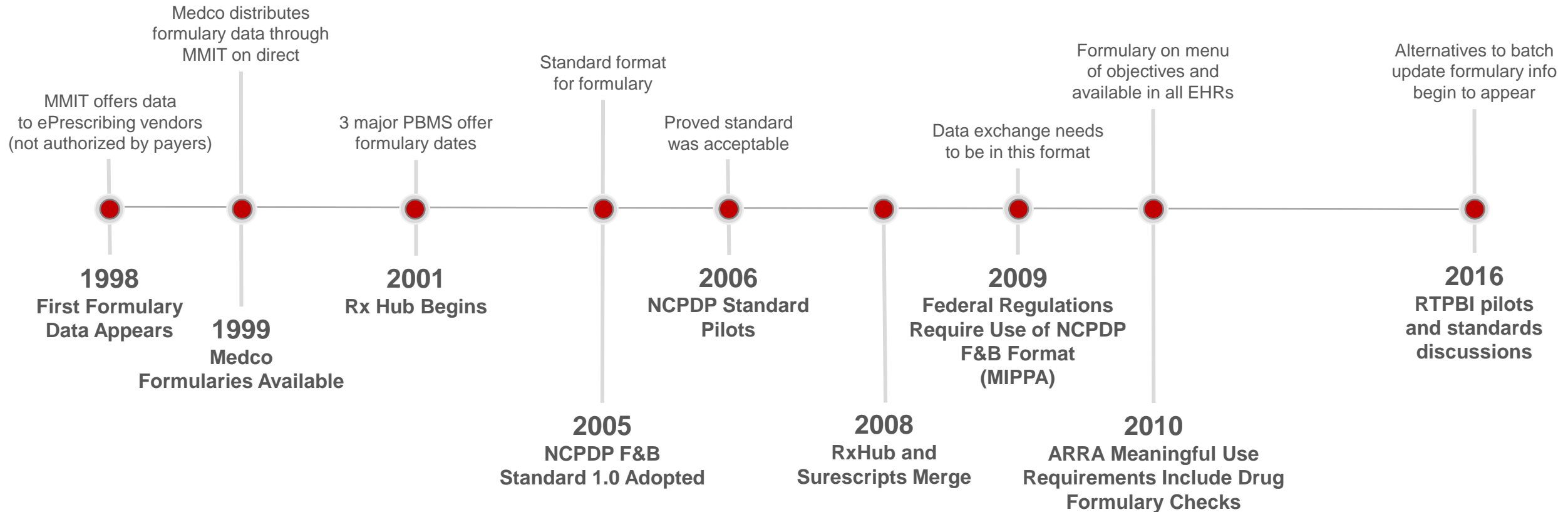
References: CMI Media; Decision Resource Group; GHG

Three Key Trends in Removing Barriers to Medication Access

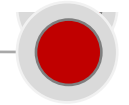
- Improving **formulary timing, availability** and **completeness** of data to support ePA
- **Streamline ePA process** to help increase adoption
- Identification and **delivery of therapy driven messaging** for appropriate patients



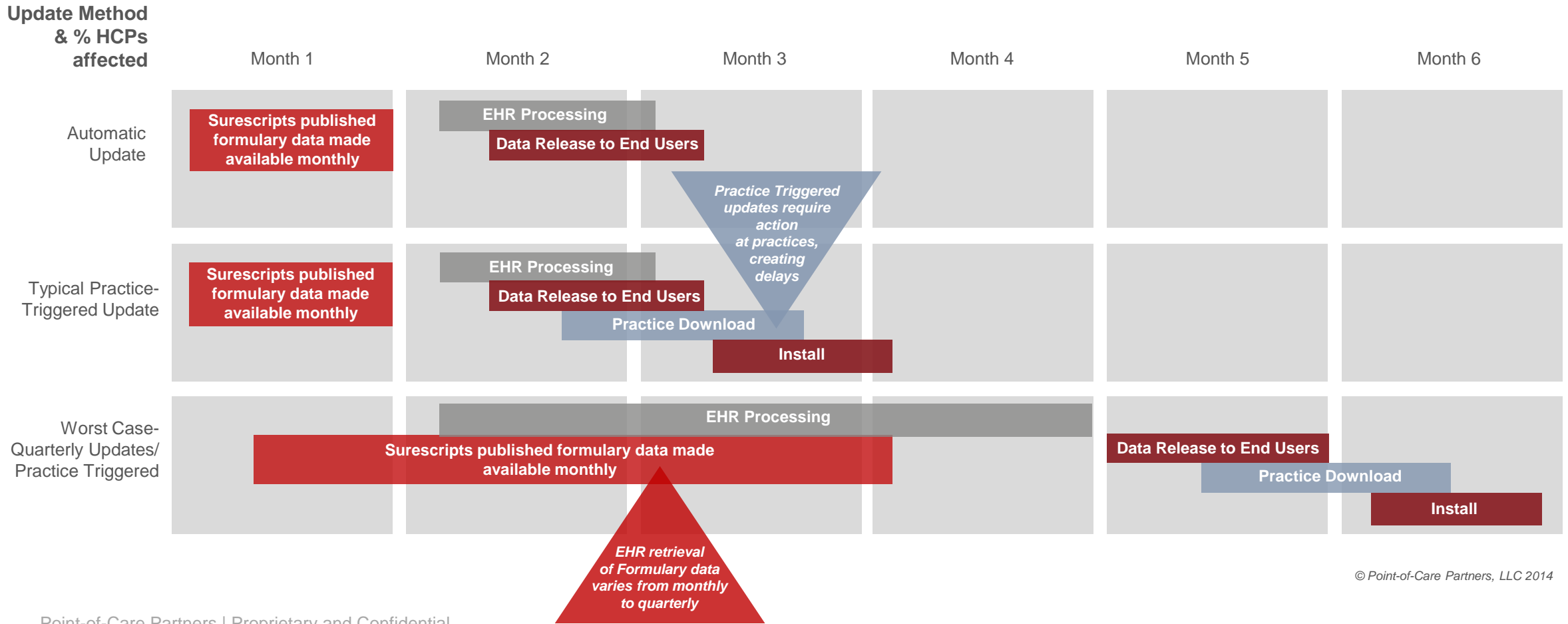
Electronic Formulary Historical Timeline



Traditional Timing for Formulary Updates in an EHR



Formulary updates can take up to six months to reach prescribers



© Point-of-Care Partners, LLC 2014

Completeness of information in F&B file



Despite industry focus on Prior Authorization, **inclusion of PA indicator and other coverage restriction information in the Formulary and Benefit file dramatically lags behind expectations.** A number of reasons exist, both at EHRs and at Payers/PBMs.

EHRs:

Latency of update process

- File size

Lack of confidence in the data

Flexibility in the standard leads to highly variable data

Payers:

Complexity in creating data

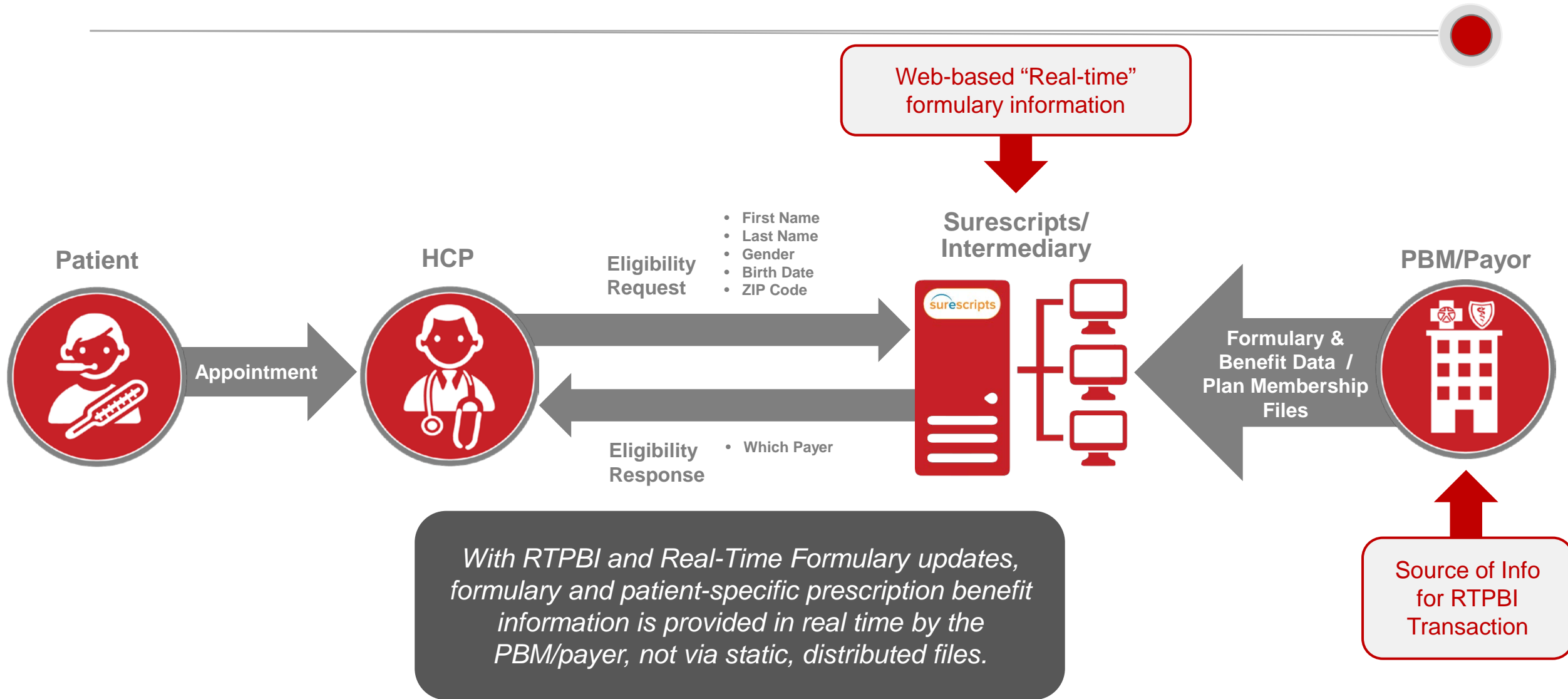
- PA identifiers are not uniform across all patients using the formulary
- Often lacks all coverage restriction information in the file

Development priorities

- NCPDP versions

Inclusion of PA flag is inconsistent across data. A missing flag causes a prescription to be sent to the pharmacy without the required PA

Future State of Point-of-Care Formulary Validation



ePA Integration Rates on the Rise



The integration of electronic prior authorization (ePA) functionality in EHRs and adoption among payers has been increasing, but adoption by physicians still lag behind

| EHR Adoption

70% COMMITTED

of EHRs are committed to implementing an ePA solution, compared to 70% in 2016 and 54% in 2015.

54% AVAILABLE

of EHRs have completed the ePA integration work with their selected vendor, and have a solution in market, compared to 47% in 2016 and 22% in 2015.

| Payer Adoption

96% COMMITTED

of payers are committed to implementing an ePA solution, compared to 87% in 2016 and 67% in 2015.

90% AVAILABLE

of payers have completed the ePA integration work with their selected vendor, and have a solution in market, compared to 68% in 2016 and 60% in 2015.

Source: CoverMyMeds ePA Scorecard report, 2017

Improved EHR Functionality to Drive ePA Adoption among physicians



- EHRs contain the answers to most payer questions, and technology exists to extract the data from EHRs automatically
 - To enable the automatic extraction of the data, a standardized query format would be necessary
 - Standardized questions would be needed
- Efforts around **interoperability** continue to move forward
 - MU Stage 3 Final Rule
 - HL7 FHIR/Argonaut Project
 - NCPDP ePA Task Group
- Interoperability would benefit from an “automated effort” of **data extraction** behind the scenes

Prescriber satisfaction and adoption will increase through reduced duplicate data entry

Opportunities for therapy driven messaging and programs



Therapy Driven Messaging

- Disease and brand awareness
- Formulary messaging
- RX support messaging
 - Financial
 - Treatment support



Point-of-Care Solutions

- Clinical decision support
- Disease identification
- Validated screeners and assessments



Real-World Insights

- Patient-level datasets
- Patient treatment journey
- Retrospective data analysis
- Prospective programs
- Integrated real-world evidence

Thank you

Tony Schueth

CEO & Managing Partner
954-346-1999 | tonys@pocp.com



www.pocp.com