

# Panel 3: Prior Authorization

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# About MGMA

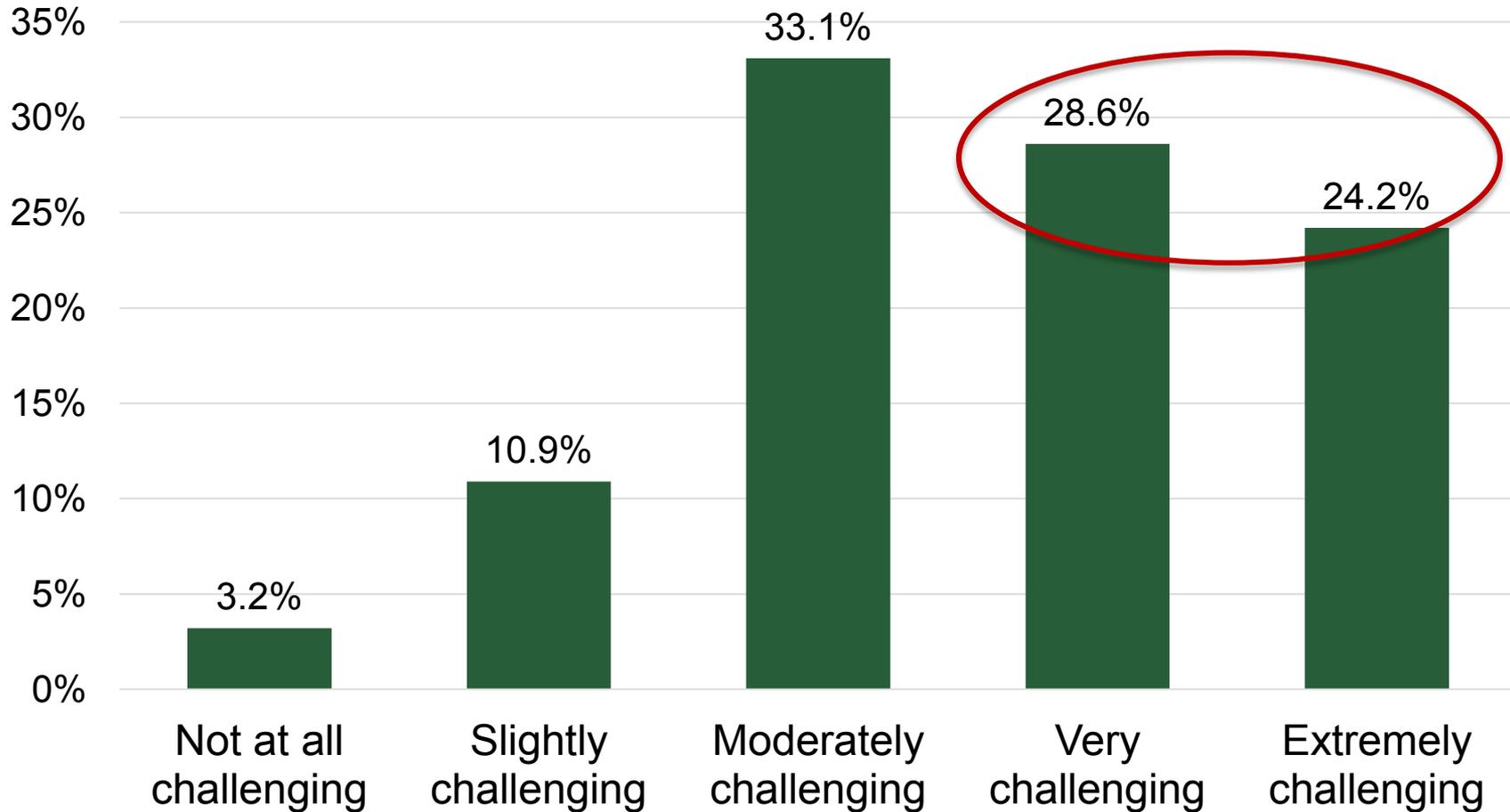
- MGMA is the premier association for professional administrators and leaders of medical group practices
- Since 1926, the association has delivered networking, professional education and resources, political advocacy and certification for medical practice professionals
- Through its national membership and 50 state affiliates, MGMA represents more than 33,000 medical practice administrators and executives in practices of all sizes, types, structures and specialties.



# Survey Data

1. Joint survey with the American Dental Association, American Medical Association and MGMA
  - April-May 2015
  - 1151 respondents
2. MGMA member survey
  - June 2015
  - 547 respondents

# Overall, how would you rate the current prior authorization process?





# Use and Potential Savings

- According to the *2014 CAQH Index™ Electronic Administrative Transaction Adoption and Savings Calendar Year 2013*
- Fully Electronic PA (HIPAA standardized) Transaction Adoption Rates, Health Plans Reporting 2013 Data = 6.7%
- **Potential provider savings: \$8.93 per PA**



# Practice Concerns

- Requires practices to understand each payer requirement (significant variation)
- Every health plan has its own format, criteria and forms
- Practices forced to use payer web portals for “online” access
- PA growing is payer use
- Most common PA-imaging services and brand name drugs
- Some payers are requiring PA for everything—even generic drugs
- Significant workflow burdens
- PA process in general slows treatment for patients, adds frustration for patients and providers
- The 278 standard is difficult and frustrating for all stakeholders to use, often confusing for providers to interpret
- Rarely is the complete required information supplied to the providers



# MGMA Recommendations

- Practices want a simple, automated electronic approach to PA
- Must be low cost if to be widely used (especially in primary care)
- One that applies to all transactions (i.e., drug and imaging) and operates in real-time while the patient is in the office
- HIPAA 278 response has too much variability – tighter controls on what is returned is critical



# MGMA General Recommendations

- Short-term
  - CMS should significantly increase provider education on the 278
  - CMS should endorse/support the EHNAC/WEDI PMSAP
  - Release the Claims Attachment regulation
- Longer term
  - Additional collaboration between provider organizations and SDOs (go where the providers are)
  - CMS should proactively audit HPs for 278 compliance
  - CMS should consider financial incentives to move industry toward wide-scale adoption (similar to meaningful use)
  - Development of a single formulary