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# **Prior Authorization: S.44; Act 79 and Primary Care**

**Green Mountain Care Board**

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**[www.gmcboard.vermont.gov](http://www.gmcboard.vermont.gov)**

# The Need to Study PA and Alternatives

## Background Research

- Lack of research showing PA Effectiveness (improved quality/reduced costs)
  - Strong Theoretical Basis for PA: Quality and Cost
  - No RCT studies found (before/after studies have bias)
- Research showing cost of administrative compliance
  - Casalino et. al - \$34,554 per doctor per year  
(study did not include Nurse Practitioners, Physicians' Assistants)
  - Ketcham and Epstein – PA failed cost/benefit in some cases

## Burden on Health Professionals and Economics

- Administrative Costs will be passed on to consumers
  - Administrative cost is built into the prices that providers charge
- Providers will find work-arounds
  - Referrals to ED, Specialists

# Vermont Primary Care Study 2013

## Survey of PCPs through Vermont Medical Society

- 490 surveys sent
- 98 returned, representing 250-300 doctors

## Important Results

- 94% believe that the PA process has a negative impact on their ability to treat patients
- 81% report very or extremely difficult to determine when PA will be required
- 51% wait “several days” or more for PA approval
- 43% report referring to specialists or emergency department to avoid PA

## Comments show significant negative impact on quality of life

# Legislative Actions

## **Act 79 of 2013 mandates a pilot program be established**

- 18 § 9377a requires study of elimination of Prior Authorization for primary care, measuring
  - System costs
  - Provider Satisfaction
  - Utilization
- GMCB to report on progress in the annual report

## **S.44 focuses on transparency of requirements for PA, definitions, and standards for adverse determinations**

# Act 79 Section 40a 18 V.S.A.

## § 9377a. PRIOR AUTHORIZATION PILOT PROGRAM

*(a) The Green Mountain Care Board shall develop and implement a pilot program or programs for the purpose of measuring the change in system costs within primary care associated with eliminating prior authorization requirements for imaging, medical procedures, prescription drugs, and home care. The program shall be designed to measure the effects of eliminating prior authorizations on provider satisfaction and on the number of requests for and expenditures on imaging, medical procedures, prescription drugs, and home care. In developing the pilot program proposal, the Board shall collaborate with health care professionals and health insurers throughout the State or regionally.*

*(b) The Board shall submit an update regarding implementation of prior authorization pilot programs as part of its annual report under subsection 9375(d) of this title.*

# Pilot Implementation

## Potential changes:

- Full or partial removal of PA requirement
- Change to infrastructure (real-time decision support)
- Change to incentives (alternative risk sharing)

## Focus Area:

- drugs, imaging, procedures, home care

## Measurement of Outcomes:

- Need to study impact on total cost for payer and provider
  - Utilization Impact
  - Impact on practice cost
- Need to study provider satisfaction

# Prior Authorization Pilot Workgroup

## ■ Insurers

- Robert Wheeler, Brian Murphy- BC/BS
- Susan Gretkowski, Jim Hopsicker, Elizabeth Schneider- MVP
- Daljit Clark, Nancy Hogue, Scott Strenio, Tom Simpatico-Medicaid
- Jeanne Kennedy- Cigna

## ■ Providers

- John Matthews, MD- Plainfield Health Center
- Madeleine Mongan- Vermont Medical Society
- Peter Reed, MD-FAHC Pediatrics

## ■ Consumer/Patient and Experts

- Walter Carpenter
- Robert Hamilton, Associate Dean, Albany School of Pharmacy

## ■ Department of Financial Regulation

- David Martini

# Roles and Responsibilities of Stakeholders

## All Stakeholders Participate in Development of the Pilot

### Insurers and Providers

- Implementation
- Provide role-specific data
- Evaluate role-specific outcomes

### Consumers/Patients

- Provide patient related input

### Green Mountain Care Board

- Facilitate Process
- Evaluate overall outcomes
- Report progress to the legislature



# Initial Recommendations

- Focus on prior authorization simplification for prescription drugs
- Eliminate PA for at least two therapeutic drug classes that are commonly prescribed by primary care
- Extend duration of PA to three years for “chronic care” prescription drugs
- Identify an additional therapeutic class common to pediatrics
- Begin a discussion of all-payer portability of prior authorizations

# Pilot determination is in the process phase

- Payer primary care prescribing data reported to the Stakeholder committee
- First therapeutic drug classes have been reviewed and selected for the pilot
- Study will either include a comparison group or before/after design



# Next Steps

- Engage the Vermont Radiology Society in a pilot to reduce the burden of prior authorization for imaging
- Choose at least two imaging procedures commonly ordered by primary care providers
- Identify pilot sites for implementing a radiology decision support program

[https://www.icsi.org/health\\_initiatives/diagnostic\\_imaging/](https://www.icsi.org/health_initiatives/diagnostic_imaging/)  
<http://www.startribune.com/lifestyle/health/238908011.html>