

SIMPLIFY PRIOR AUTHORIZATION

WE ALL BENEFIT

Report Summary - Private Payer Prior Authorization in Canada:

Simplify Prior Authorization



Our Findings

The findings of this white paper were developed based on a comprehensive landscape survey of private payer prior authorization (PA) processes and practices which was conducted in Spring 2020 by Denise Balch, principal consultant and president, Connex Health and Beverley Herczegh, director and consultant at The Pangaea Group. The paper and subsequent communications campaign was supported by grants from AMGEN Canada and Gilead Sciences Inc.

The white paper attempts to answer the question 'Is it possible to create change at an industry level?'. To do this the paper identifies the stakeholders in the PA process, how PA criteria is developed and applied, the claims and appeal process, including proprietary aspects and obstacles to change, and the challenges to the current PA process and opportunities for improvement. It also identifies imperatives to enable change.

Six private payers and eleven other industry stakeholders, subject to the PA process, were interviewed. With insurer and Pharmacy Benefit Manager (PBM) input the private payer industry is well represented in this report. It is acknowledged that there may be information gaps in some areas of the results because not all insurers chose to participate. The other industry stakeholders represented include physicians, pharmacists, drug access navigators, patient groups, plan sponsors and plan advisors.

What is Prior Authorization and What is the Issue?

Prior authorization is a process by which private payers (insurers or PBMs) reimburse a prescribed medication on the condition of satisfactory medical evidence from a patient and their physician according to criteria established by payers.

What researchers found is that although PA may appear at first sight to be relatively straightforward, it is not without its challenges, including:

- / The financial burden of PA management and administration on insurers
- / The administrative burden on patients, medical practitioners, and patient navigators
- / The variability in criteria and how criteria is used to evaluate PA medications
- / The assessment of patient eligibility
- / The impact on patients of the time it takes to adjudicate claims
- / The inconsistent grandfathering provisions on change of carrier
- / The physical and mental health impact of PA on patients, particularly those who experience extended wait times to access sometimes life-changing therapies.

In this research we heard that the prior authorization process could be improved in ways that would benefit all stakeholders. These include:

- / Reduce use of paper and faxes
- / Reduce administrative burden on insurers
- / Reduce administrative burden on patients, physicians and drug access navigators
- / Reduce wait times for patients
- / Simplify patient assessment of eligibility to the degree possible
- / Address inconsistent grandfathering provisions (on change of carrier)

Based on the input from the cross section of stakeholders surveyed and the background of the authors, the following are proposed as ways to respond to the need to improve prior authorization in Canada:

1. Create a patient-centric PA process
2. Create consensus on some standardization between private payers without infringing on proprietary aspects of PA to create efficiencies, expedite claims processing and reduce the administrative burden on all stakeholders.
3. Develop standards for annual reporting, cost/benefit metrics, accreditation for private payers and stakeholder evaluations.
4. Identify industry best practice benchmarks for PA
5. Provide a central web portal, managed by an independent agency dedicated to simplifying PA while serving the interests of all stakeholders, including, but not limited to a repository of clinical evidence, lists of PA drugs by payer, claim forms for PA drugs and electronic submission of PA claims (ePA)

The Time is Now

We recognize that changing prior authorization will be a challenge, in part due to the various participants with differing and, in some cases, competitive objectives. Despite this, there is a consensus among those we spoke to during the interview process, as well as others since then, that change is needed, and inevitable, to create efficiencies in PA. We believe that the time has come to deliver.

Since at least 2007 there has been a growing percentage of total drug spend on specialty drugs, which make up the majority of drugs that are subject to PA. This category is expected to continue to grow¹. According to Express Scripts Canada's President, Dr. Dorian Lo, 'We will continue to see breakthrough treatments with high prices on the horizon².' As the number of drugs that are subject to PA grows, so will the associated financial burden of PA management and administration on payers and other stakeholders.

This work acknowledges that improving the PA process will require a multi-stakeholder collaboration and to this end we propose the work be undertaken with these guiding principles:

1. PA should ensure the right drug, at the right time, for the right patient
2. The process should be patient-centric
3. All stakeholders should be involved in any change process
4. Maintaining payer autonomy is critical, including which drugs are identified for PA, the information collected during claim submission, and the internal criteria used to adjudicate PA claims.

¹ 2020 Prescription Drug Trends Report, Express Scripts Canada, [https://www.express-scripts.ca/sites/default/files/ESC%20DTR%202020%20EN%20\(final\).pdf](https://www.express-scripts.ca/sites/default/files/ESC%20DTR%202020%20EN%20(final).pdf)

² Ibid

Next Steps

Recognizing that change will require participation, engagement and consensus across a diverse group of landscape participants, next steps are to progress discussions, new thoughts and concrete steps on the path forward. To this end, a group of experts, including representation from all those impacted by these proposed changes, has been assembled to advise and advance this important initiative. These experts have been divided into members of a steering committee, strategic advisors, and working groups.

Those with an interest in providing input, participating, or making a financial contribution towards this important industry initiative are invited to contact the authors of this white paper and project managers for the Simplify Prior Authorization initiative.

We can and must do better.

- Learn more at simplifypriorauth.ca



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