Summary Update and Findings with Respect to the Minnesota 2015 ePA Mandate

For the Minnesota Department of Health

June 2013

Project: **MDH ePA Planning Assistance**
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Document goal and organization

This document provides a brief summary of activities of the Minnesota Department of Health (MDH) and the Minnesota Administrative Uniformity Committee to assess current data exchange standards for electronic prior authorization (ePA) of prescription drugs and to develop guidance for use of an ePA standard by Minnesota healthcare providers and payers. The document is intended to complement, and to be used in conjunction with, other deliverables created in fulfillment of the statutory charge above.

- The *Overview* section provides a brief background on Minnesota's ePA requirements and summarizes Spring 2013 activities to prepare for them.
- *National ePA Current State* summarizes ePA standardization activities leading to a national standard.
- *Minnesota ePA Assessment* summarizes discussion between healthcare providers, payers and other stakeholders about ePA standards.

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1. Overview

Minnesota's statutes require the state to take steps to establish a process for electronic prior authorization (ePA) of prescription drugs. Per Minnesota Statutes, section 62J.497, Subd. 5. *Electronic drug prior authorization standardization and transmission*:

> (a) The commissioner of health, in consultation with the Minnesota e-Health Advisory Committee and the Minnesota Administrative Uniformity Committee, shall, by February 15, 2010, identify an outline on how best to standardize drug prior authorization request transactions between providers and group purchasers with the goal of maximizing administrative simplification and efficiency in preparation for electronic transmissions.
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> (b) By January 1, 2014, the Minnesota Administrative Uniformity Committee shall develop the standard companion guide by which providers and group purchasers will exchange standard drug authorization requests using electronic data interchange standards, if available, with the goal of alignment with standards that are or will potentially be used nationally.
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> (c) No later than January 1, 2015, drug prior authorization requests must be accessible and submitted by health care providers, and accepted by group purchasers, electronically through secure electronic transmissions. Facsimile shall not be considered electronic transmission.

In order to prepare for the 2014 and 2015 prior authorization requirements, the Minnesota Department of Health (MDH) initiated an effort to identify a candidate Minnesota ePA standard and to provide guidance for its use by the state's healthcare providers and payers. That effort focused on three activities:

- Assess the current state of ePA standards.
- Assemble a working group with stakeholders from the Minnesota Administrative Uniformity Committee (AUC), the pharmacy industry, and other interested parties, to discuss ePA approaches and to identify a candidate Minnesota standard.
- Provide implementation guidance for the selected standard under the auspices of the Minnesota Administrative Uniformity Committee (AUC), in the form of a companion guide.

MDH conducted these activities in April, May and June 2013, with the following outcomes:

- A *Current State of ePA* overview document was created in April and distributed to stakeholders.
- Stakeholders met on May 2 to discuss ePA approaches, industry pilot outcomes and currently available standards. The group selected the National Council for Prescription Drug Programs (NCPDP[1]) ePA standard (as incorporated in the NCPDP SCRIPT Standard version 2013071) as a candidate for use in Minnesota and set out steps to evaluate it.
- An AUC working group ("Technical Advisory Group" or "TAG") met in May and June to assess the standard and identify guidance to be included in a companion guide to assist stakeholders during implementation. The TAG meetings included stakeholders from the pharmacy industry and interested parties.

[1] NCPDP is a national not-for-profit American National Standards Institute (ANSI)-Accredited Standards Development Organization. NCPDP e-prescribing standards are named by CMS for use in the care of Medicare Part D-covered individuals.

- The AUC ePA working group determined that the NCPDP ePA standard is suitable for use in Minnesota, and drafted a companion guide incorporating the standard by reference and providing additional implementation guidance. The working group reviewed the companion guide and approved it with minor changes to be forwarded to the AUC committee of the whole (AUC Operations Committee) for its review and final recommendations.

2. National ePA current state

The prescribing industry has made efforts to automate the medication prior authorization process for a number of years. Early efforts attempted to standardize the authorization criteria itself, while more recent efforts focused on standardizing the communication between stakeholders while supporting variations in prior authorization criteria.

The following table briefly summarizes the industry's experience at a national level that led to approval of a consensus ePA standard. The table also notes Minnesota-specific activities during this time.

Aug 1996	HIPAA[2]	Names X12 278 "prior authorization" transaction standard.
Nov 2004	NCPDP ePA Task Group formed	HL7 PA Attachment created (2005), which attempts to standardize PA decision criteria using LOINC codes. Designed to be used in conjunction with X12 278 and 275 transactions.
2006	MMA[3] E-Prescribing Pilot Tests	X12 278 / X12 275 / HL7 PA Attachment approach tested. Piloters recommend moving to a single PA message standard with needed capabilities: conditionality, ability to tailor criteria. "Analysis shows that, in its current state, this standard is technically unable to convey the information needed to support this function for use in Part D." [4]
2008	CMS / AHRQ Expert Panel	Identified NCPDP as the SDO to develop ePA standard. Exception to HIPAA resolved (enabling prescription PA using an alternative to the X12 278) .
2009	New NCPDP standard created	Developed by NCPDP as a single XML-based standard. Not pilot-tested. Minnesota established a "uniform drug PA form" for use by 2010.
2010	Minnesota statutes related to drug PA	Minnesota's legislature enacted a law that: • Directed the MN Administrative Uniformity Committee (AUC) to publish a drug ePA companion guide by January 2014 • Set a requirement for MN providers and payers to support electronic drug prior authorization by January 2015.

[2] The federal Health Insurance Portability and Accountability Act of 1996 (HIPAA) included Administrative Simplification provisions identifying standards for electronic health care transactions among other provisions.

[3] Medicare Prescription Drug Improvement and Modernization Act (MMA) of 2003

[4] http://healthit.ahrq.gov/portal/server.pt/community/ahrq-funded_projects/654/e-prescribing_pilot_projects/24021

2011	Renewed Interest	Industry pilot using a draft enhancement to the NCPDP ePA standard. Legislation in several US states related to ePA.
2012/2013	Updated NCPDP ePA standard	Enhancement of the NCPDP ePA standard based on pilot experience. Stakeholders include NCPDP members, other industry participants. Applicable NCPDP workgroups vote to approve ePA standard in May 2013. Formal NCPDP Board of Trustees approval anticipated in mid-2013. Formal ANSI approval anticipated in mid-late 2013.
2014	Production use of enhanced NCPDP ePA standard	Major industry participants planning 2014 production use of the enhanced NCPDP standard: payers, EHR vendors, networks.

Some content above was adapted from NCPDP testimony to the NCVHS Subcommittee on Standards, November 2011. http://ncvhs.hhs.gov/111117p15.pdf

3. MN ePA assessment

In April 2013, the MDH invited the public to participate in efforts to prepare for the state's electronic drug prior authorization requirement. Representatives from Minnesota healthcare provider and payer organizations participated, as well as other local and national stakeholders and the prescription standards development organization, NCPDP. The MN Administrative Uniformity Committee (AUC) established an ePA Technical Advisory Group (TAG) during the process to fulfill the statutory charge to develop a MN companion guide for electronic PA implementers.

Initial discussion. On May 2, MDH held an open, public meeting to review the statutory charge to develop an ePA companion guide, discuss preliminary information regarding prescription drug ePA and the status of an emerging standard for exchanging ePA information, and to begin further planning and discussions regarding development of an ePA companion guide. Approximately 12 persons participated in the meeting on site, and approximately an equal number participated via teleconference. Participants included members of the Minnesota Administrative Uniformity Committee (AUC) and a number of interested parties from the pharmacy industry.

The discussion involved an overview of ePA approaches and standards activities as well as conversation about stakeholders' readiness to meet MN's 2015 requirement. In discussion, concerns were raised about the timing of the statutory requirements, because they occur at the same time as other important health IT objectives such as becoming ICD-10 compliant, achieving Meaningful Use, and others. In response, it was noted that early adoption of prescription drug ePA is moving forward and is of interest broadly within the pharmacy industry. The group agreed that, regardless of when electronic PA may be required, it is important to understand the standard and to begin sharing information and any experience or lessons learned, sooner rather than later.

The outcome of the May 2 discussion was agreement to recommend to the AUC Executive Committee that an Rx ePA TAG be created, accompanied by outreach and contacts to ensure pharmacy industry participation. The group also discussed plans and timelines to undertake the companion guide development.

MN AUC ePA Technical Advisory Group and ePA companion guide. Based on recommendations from the initial May 2 discussion, the AUC established a working group to evaluate the NCPDP ePA standard and to arrive at content for a MN companion implementation guide for the standard. The group met twice in person, on May 21 and June 10, and again by teleconference on June 18.

The group reviewed the NCPDP standard together during the May 21 session and individually identified questions and clarifications after the meeting. These comments were collected and reviewed in the next two team meetings. The consensus of the ePA working group was that the NCPDP ePA standard was suitable for use in the state, and the team's review did not raise any significant concerns or challenges. However, the group identified several clarifications to the NCPDP implementation guide that it felt would be valuable to implementers.

MDH discussed the group's comments with a representative of NCPDP, who suggested they be proposed as refinements to the NCPDP implementation guide through NCPDP's change process. The working group also decided to include the comments in its MN ePA companion guide, with an indication that they will ultimately be incorporated into the official NCPDP materials.

A first version of the companion guide was approved by the ePA working group and will be forwarded to the AUC Operations committee for its review and any recommendations.