

State-Regulated Payor and Pharmacy Benefit Manager Preauthorization Benchmark Attainment

Abstract:

The Maryland Health Care Commission (MHCC) is required to report to the Governor and General Assembly by December 31, 2013 the progress made by State-Regulated payor (payor) and pharmacy benefit managers (PBMs) in implementing electronic preauthorization. Automating the preauthorization process for medical and pharmaceutical services (health care services) is intended to streamline the preauthorization request and approval process and minimize administrative burdens on providers. Preauthorization requests have typically been processed manually, using fax, phone, or mail. In 2012, Maryland law (Md. Code Ann., Health-Gen. 19-108.2) outlined a phased-implementation approach for payors and PBMs to standardize and automate the process for preauthorizing health care services. Payors and PBMs reported to MHCC on their attainment of the three Phases; all payors and PBMs are in compliance with the law. Payors and PBMs also reported on the functionality and usage of their online preauthorization systems. In 2012, approximately one percent of medical service claims had an associated preauthorization request and roughly one percent of Maryland pharmaceutical claims had an associated pharmaceutical preauthorization request. Approximately 18 percent of medical preauthorization requests and less than two percent of pharmaceutical preauthorization requests were submitted electronically in 2012. The law requires that providers use an electronic method to submit all preauthorization requests unless granted a waiver by July 1, 2015. Over the next year, MHHC intends to work with payors and PBMs to raise awareness among providers regarding their electronic preauthorization systems.