

# Electronic Preauthorization Implementation

*A Commission Update*

*October 17, 2013*



The MARYLAND  
HEALTH CARE COMMISSION

# Overview

- Paper-based preauthorizations and variation in medical policy created challenges for providers
- In 2012, a law was passed to address the challenges
  - Established standards for the submission and approval of medical and pharmaceutical electronic preauthorization requests
  - A phased in approach over ten months

# Implementation Requirements

- ***Phase 1:*** State-regulated payors (payors) and pharmacy benefit managers (PBMs) to provide online the list of medical and pharmaceutical services that need a preauthorization and the key criteria for making a determination by October 1, 2012
- ***Phase 2:*** Payors and PBMs accept medical and pharmaceutical service preauthorization requests electronically and assign a unique identification number to each request by March 1, 2013
- ***Phase 3:*** Establishes timeframes for approval of preauthorization requests by July 1, 2013

# Observations

- All payors and PBMs are in compliance with the law
- Initial outreach initiatives have resulted in around 18 percent for medical services and less than two percent for pharmaceutical requests submitted electronically
- Online preauthorization systems are fairly similar across payors and PBMs, providing about the same functionality
- Nearly all payors and PBMs allow providers to access their provider online preauthorization system by a single click from their home page
- The average time for a provider to complete an electronic preauthorization request ranges from as little as two minutes to ten minutes
- Nearly 78 percent of payors and PBMs allow providers to search for members when creating a preauthorization request

# Next Steps

- **Support payors and PBMs in developing technology diffusion strategies**
- **Measure success in increasing provider usage of payor and PBM online preauthorization systems**
- **Reconvene the Preauthorization Workgroup to consider policies around the July 2015 requirement for providers to use online preauthorization systems**
- **Report annually as required by the law to the Governor and General Assembly on the attainment on the phased in benchmarks**



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# Appendix

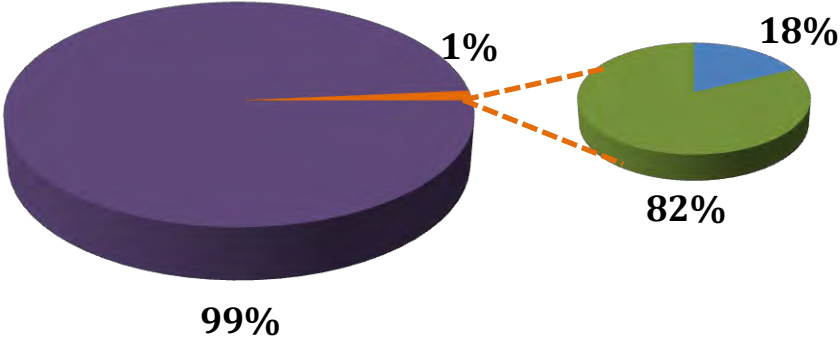


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# 2012 Preauthorization Submissions

## Payors

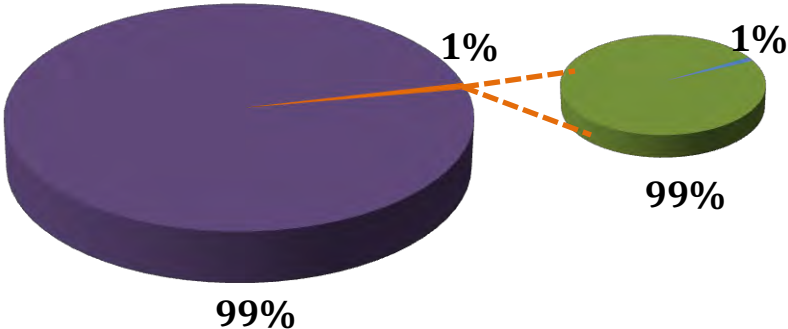
Total Claims = 43.6M



- Medical Claims
- Required Preauthorization
- Electronic Requests
- Other Requests (i.e. fax, mail)

## PBMs

Total Claims = 59.9M



- Pharmaceutical Claims
- Required Preauthorization
- Electronic Requests
- Other Requests (i.e. fax, mail)