Interoperability in Action: Enhancing Prior Authorization & Optimizing Efficiency with the CMS Final Rule

March 2024

Point•of•Care
PARTNERS | HEALTH IT MANAGEMENT CONSULTANTS

Agenda

Overview of Final Rule

Implications for Future Rule-Making

Importance of Shift to APIs

Approaches to Compliance

Considerations for Payers

Who Is Point-of-Care Partners?

We Are THE Nation's Leading Data Standards and Interoperability Consultants

Who We Are…

- *National, virtual, consultancy* since 2002 (*35+ states, 110+ Associates) focusing on healthcare* Interoperability across the Payer, Delivery, Health IT Vendor, HIE, Government, and Pharma ecosystem

- We possess a comprehensive staff of widely respected national experts, with most Associates having > *15-25 years* experience in the Interoperability field

- Engaged and leadership roles with **Standards bodies and Accelerators** across the Interoperability spectrum, including HL7, HIMSS, Da Vinci, CARIN, NCPDP, and numerous others

What We Do…

Leading interoperability subject experts working on projects such as:

- Strategy and value engagements for national and regional payers
- Interoperability roadmaps (establishing and adjusting)
- The launch and growth of numerous HIEs
- Development of standards and strategy for implementation
- Automations of Prior Authorization, Patient Cost and Benefits, Specialty Medications, Enrollment

Program, Project Management and use case lead role(s) across **Da Vinci,** CARIN, CodeX and FHIR at Scale Taskforce (*FAST*) and other cross-functional industry projects

This Is All About Interoperability and the Data That Rides the Rails

Legend:
- Quality Outcomes
- Price Transparency
- Patient Access to Data
- Social Determinants of Health
- Clinical Efficacy Data
- Coverage Transparency

Network nodes: Intermediaries, PBMs, Health Plans, Digital Health, Patients, Health IT Vendors, EHRs, ACOs, Government, HIEs, Rx, Health Systems

- To be successful with your transformation to *FHIR API Technology*, you must have a well-documented strategy and execution roadmap
- How will you handle Interoperability needs such as:
    - *Clinical Data Exchange?*
    - *Price Transparency?*
    - *Social Determinants of Health?*
    - *Patient Data Redirection?*
    - *Value-based Care?*

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Improving Interoperability & Advancing Prior Authorization

The Final Rule

Who Is Impacted by the Final Rule?

The final rule affirms mandates for payers and providers, focusing on enhancing the electronic exchange of healthcare data and simplifying prior authorization procedures.

These mandates reinforce the use of Fast Healthcare Interoperability Resource (FHIR) standards to facilitate data access, use and exchange of clinical and administrative data to implement new and evolving electronic prior authorization systems.

Impacted Payers

- Medicare Advantage organizations
- Medicaid managed care plans
- State Medicaid fee-for-service agencies
- Children's Health Insurance Program (CHIP) agencies
- Managed care organizations
- Prepaid inpatient health plans
- Prepaid ambulatory health plans
- CHIP managed care entities
- Issuers of Qualified Health Plans on the federally facilitated exchanges

Providers

- Eligible hospitals and critical access hospitals in the Medicare Promoting Interoperability Program
- Merit-Based Incentive Payment System (MIPS) eligible clinicians

Exempted

- FFS Medicare
- Medicare supplemental insurance policies
- Stand-alone dental plans
- Issuers of Qualified Health Plans that offer only small business health options program exchanges (FF-SHOPs)
- State-based exchanges on the federal platform

Final Rule Requirements for Payers

Patient Access API

Provider Access API (New)

Payer-to-Payer API (New)

Prior Authorization API (New)

Improving PA Processes

- Adjudicated claims, encounters (with capitated providers) and clinical data (including labs) from be made available – **Patient Access API**

- Prior authorization data and mandates reporting to CMS on patient usage metrics – **Patient Access API**

- FHIR API for sharing data among in-network or enrolled providers – **Provider Access API**

- Development of attribution process to associate patients with providers – **Provider Access API**

- Plain language patient and provider education and resources – **Provider Access API and Payer-to-Payer API**

- FHIR API for exchanging data when a patient changes health plans – **Payer-to-Payer API**

- FHIR API for automating and streamlining the prior authorization process – **Prior Authorization API**

- Public reporting - full list of services and items requiring prior auth and aggregated metrics on approvals, denials, and review timelines

- May use updated version of a required standard in accordance with ONC Standards Version Advancement Process (SVAP)

- Reduction of prior authorization decision timeframes to 72 hours expedited and 7 days standard turnaround (1/1/26)*

*For majority of programs

Final Rule Provisions for Providers

- New Measure (Electronic Prior Authorization)
  - HIE objective – MIPS Promoting Interoperability Performance Category
  - Medicare Promoting Interoperability Program (PIP)

- Yes or No Attestation – to at least one (1) electronic prior authorization via Prior Authorization API, using data from CEHRT

- Measure reporting period
  - CY 2027 performance period/2029 payment year – MIPS-eligible clinicians
  - CY 2027 EHR reporting period for eligible hospitals and CAHs

- Non-Reporting consequences

- Use of Provider Access API (not mandated)

- Access to provider education resources provided by payers

CMS intends to reassess the measure criteria and reporting structure in future years, particularly as the Prior Authorization API becomes more widely adopted

CMS – Prior Authorization API
HIPAA 278 Related Exception

IF CMS FINAL RULE (0057-F) DOES NOT APPLY TO YOU AND YOU ARE A HIPAA Covered Entity

IF CMS FINAL RULE (0057-F) DOES APPLY TO YOU

COVERED ENTITY UNDER HIPAA

FHIR only • FHIR + X12 278

FHIR only • FHIR + X12 278
or
X12 278 only

*This enforcement discretion **permits efficient use FHIR or FHIR + X12 278***

https://www.cms.gov/files/document/discretion-x12-278-enforcement-guidance-letter-remediated-2024-02-28.pdf

CMS – Prior Authorization API
Exclusion

The **Policies for Prior Authorization APIs**
and Processes
Do Not Apply to Drugs of any Type

Examples:
Self-Administered Prescription Drugs
Administered by a Provider
Dispensed or Administered in a Pharmacy or Hospital

Expect CMS, through future rulemaking, to address improvements to the prior authorization process for drugs

CMS – Required FHIR Standards and IGs

API INTEROPERABILITY STANDARDS

STANDARDS	PATIENT ACCESS API	PROVIDER ACCESS API	PROVIDER DIRECTORY API	PAYER-TO-PAYER API	PRIOR AUTHORIZATION API
USCDI at 45 CFR 170.213 (V3)	M	M		M	
FHIR Release 4.0.1	M	M	M	M	M
HL7 FHIR U.S. Core IG STU 3.1.1	M	M	M	M	M
HL7 SMART APP Launch Framework IG 1.0.0	M	M	M	M	M
HL7 FHIR Bulk Access (Flat FHIR) IG v 1.0.0 STU 1		M		M	
OpenID Connect Core 1.0	M	M	M	M	M

IMPLEMENTATION GUIDES (IGs) BY API

IMPLEMENTATION GUIDE	PATIENT ACCESS API	PROVIDER ACCESS API	PROVIDER DIRECTORY API	PAYER-TO-PAYER API	PRIOR AUTHORIZATION API
CARIN for Blue Button IG Version STU 1.1.0	R	R		R	
Da Vinci PDex IG Version STU 1.0.0	R	R		R	
Da Vinci PDex U.S. Drug Formulary IG Version STU 1.1.0	R	R		R	
Da Vinci PDex Plan Net IG Version STU 1.1.0			R		
Da Vinci Payer Coverage Decision Exchange (PCDE) IG Version STU 1.0.0				R	
Da Vinci Prior Authorization Support (PAS) IG Version STU 1.1.0					R
Da Vinci Coverage Requirements Discovery (CRD) IG Version STU 1.0.0					R
Da Vinci Documentation Templates/Rules (DTR) IG Version STU 1.0.0					R

KEY:

- M — Mandated
- R — Recommended
- ◯ — N/A

Future Rulemaking Considerations

There are several forward-looking statements in the rule that indicate future areas of possible information gathering and rulemaking. Specifically:

HIPAA PA TRANSACTIONS

Commitment to Evaluation of HIPAA PA Transaction Standards

Improve Healthcare Interoperability

Consideration of Industry Implications

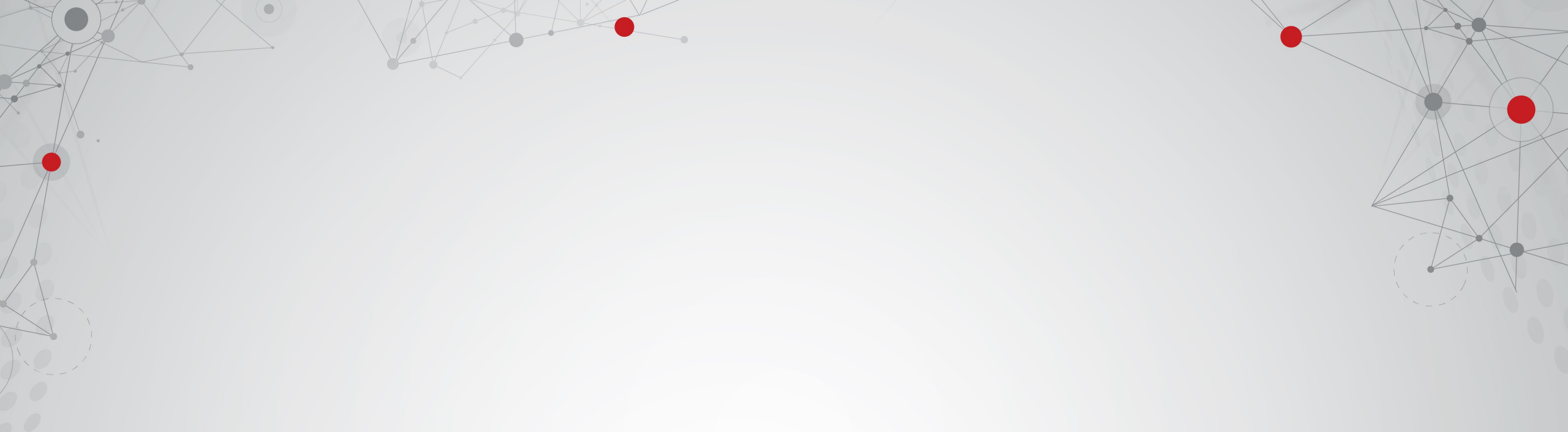## PRIOR AUTHORIZATION FOR MEDICATIONS

Current Rule's Stance on Drugs

Acknowledging Confusion and Complexity

Future Clarity on Medical Benefit Drugs

Anticipating Future Integration
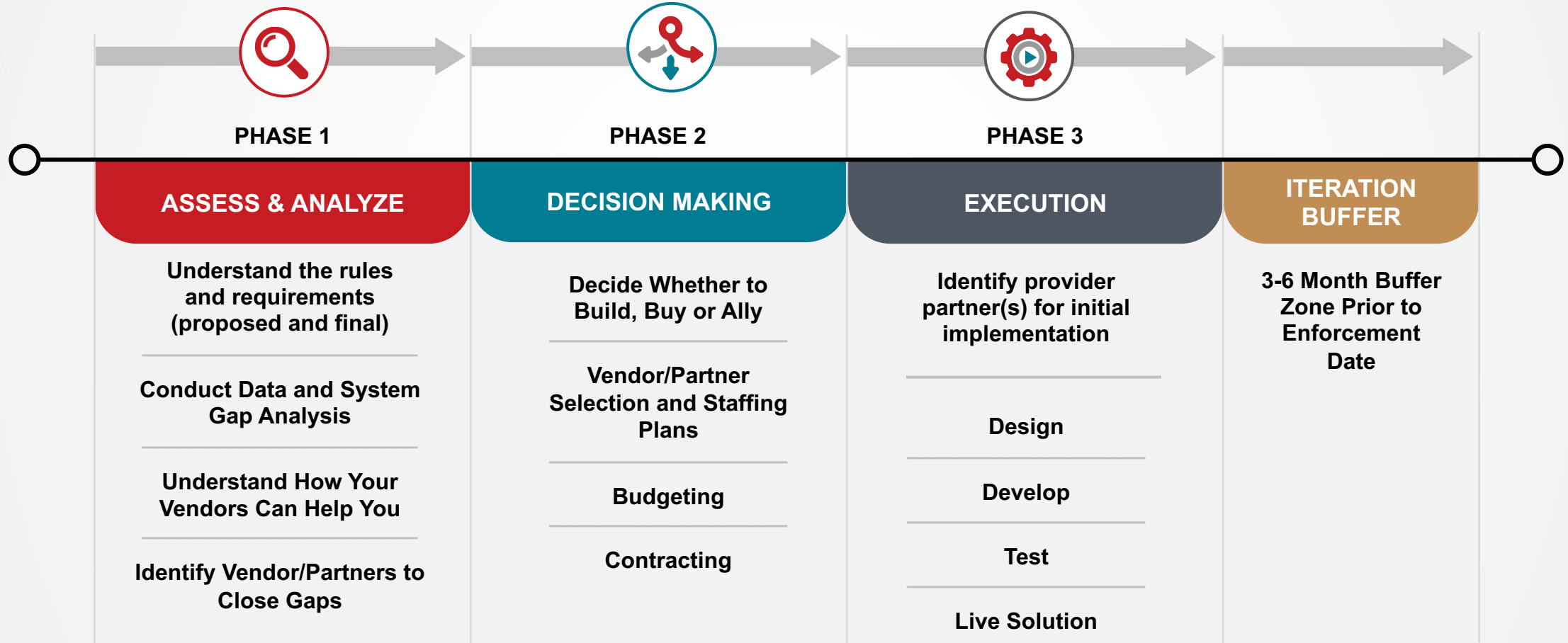
NATIONAL DIRECTORY OF HEALTHCARE PROVIDERS & SERVICES

CMS and TEFCA

Endpoint Directory

Exploring NDH Implementation

Enhancing Interoperability
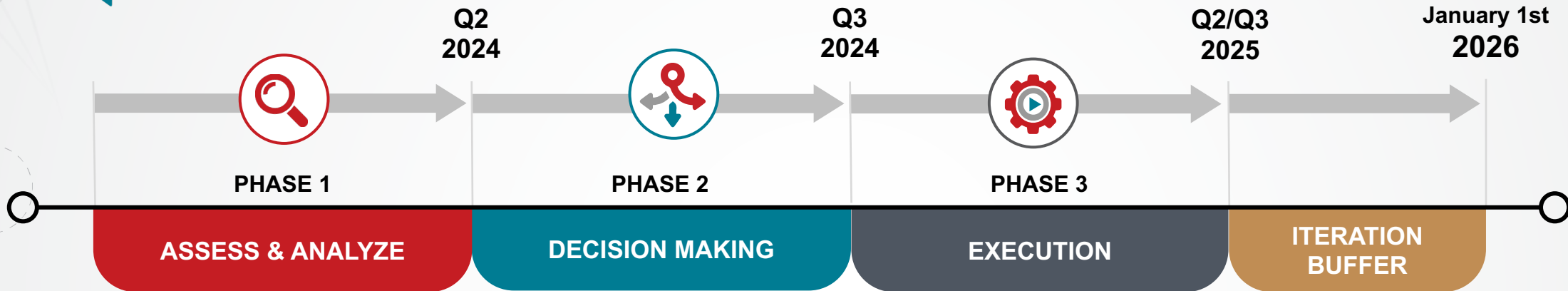
Supporting Key Use Cases

Strategic Insights for Payers

Compliance Timeline

PHASE 1	PHASE 2	PHASE 3	
ASSESS & ANALYZE	**DECISION MAKING**	**EXECUTION**	**ITERATION BUFFER**
Understand the rules and requirements (proposed and final)	Decide Whether to Build, Buy or Ally	Identify provider partner(s) for initial implementation	3-6 Month Buffer Zone Prior to Enforcement Date
Conduct Data and System Gap Analysis	Vendor/Partner Selection and Staffing Plans	Design	
Understand How Your Vendors Can Help You	Budgeting	Develop	
Identify Vendor/Partners to Close Gaps	Contracting	Test	
		Live Solution	

Duration will vary based on complexity and readiness

CMS-0057 Compliance Timeline: January 2027 Requirements

	Q2 2024		Q1 2025		Q3 2026		January 1st 2027

PHASE 1
PHASE 2
PHASE 3

ASSESS & ANALYZE
DECISION MAKING
EXECUTION
ITERATION BUFFER
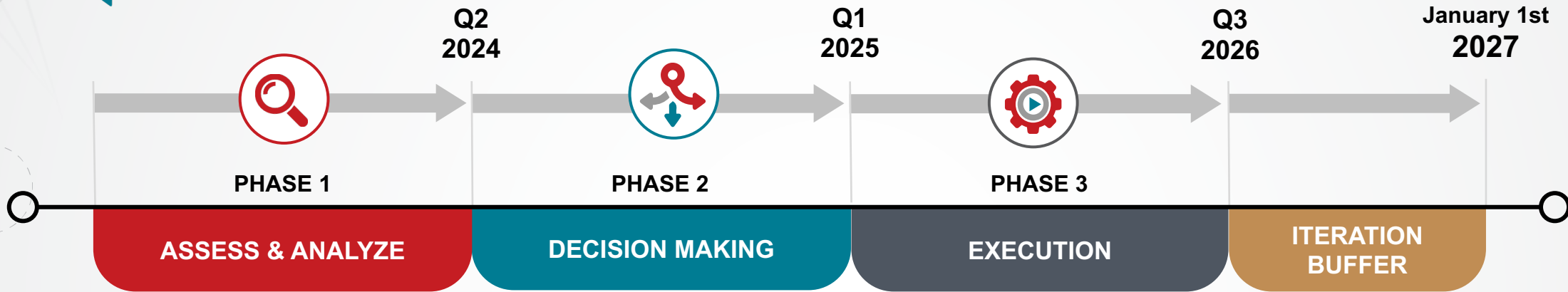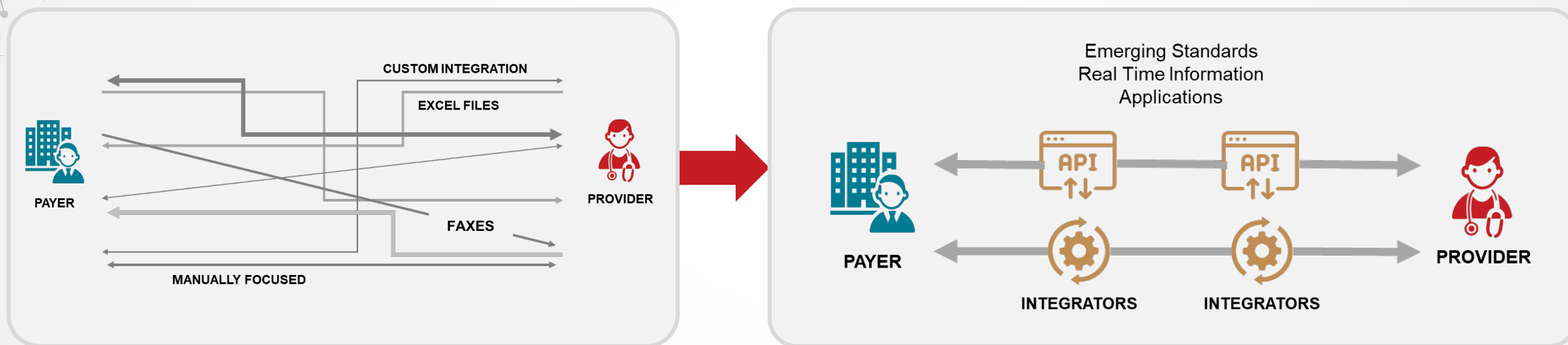
- Patient Access API to include PA decisions
- Prior Auth API
- Payer to Payer API
- Provider Access API

ARE YOU AHEAD OR BEHIND?

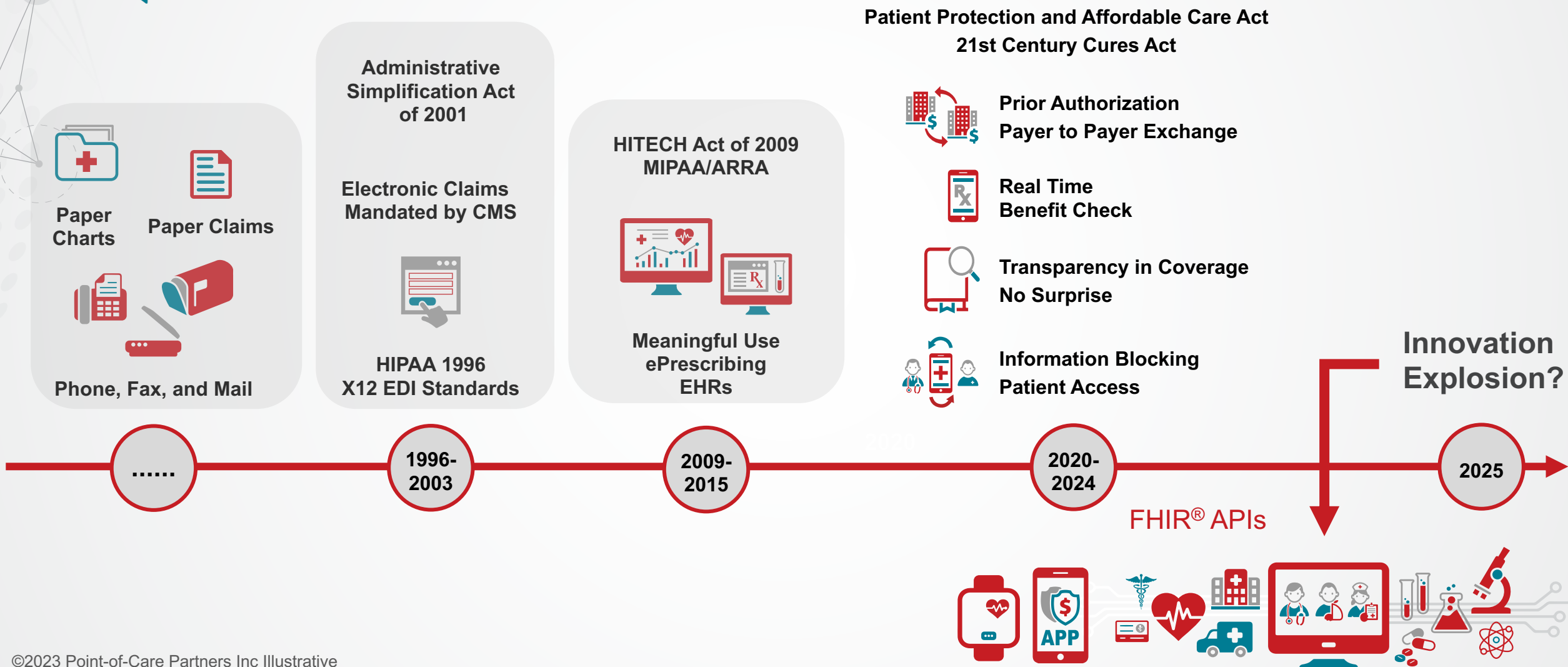# What is "API-based" Interoperability and How is it Different?

The use of standard APIs and datasets helps *eliminate proprietary interfaces* and file formats, saving time and money and allowing for improved and more efficient care

APIs open the door for innovation
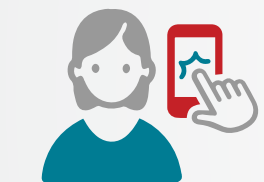
Vision for the Healthcare API Economy

Paper Charts

Paper Claims

Phone, Fax, and Mail

Administrative Simplification Act of 2001

Electronic Claims Mandated by CMS

HIPAA 1996 X12 EDI Standards

HITECH Act of 2009 MIPAA/ARRA

Meaningful Use ePrescribing EHRs

Patient Protection and Affordable Care Act
21st Century Cures Act

Prior Authorization Payer to Payer Exchange

Real Time Benefit Check

Transparency in Coverage No Surprise

Information Blocking Patient Access

Innovation Explosion?

FHIR® APIs

Timeline: ...... | 1996-2003 | 2009-2015 | 2020-2024 | 2025

Understand Your Strategic Approach to Interoperability

Leader & Innovator	Strategic Positioner	Cautious Follower	Box Checker

Leader & Innovator
- ❏ Well defined enterprise strategy
- ❏ Push the boundaries
- ❏ Invest human resources in visibility and thought leadership
- ❏ Willing to invest
- ❏ Long term goals
- ❏ Highly tolerant of risk

Strategic Positioner
- ❏ Well defined enterprise strategy
- ❏ Willing to invest
- ❏ Long term goals
- ❏ Moderate tolerance for risk

Cautious Follower
- ❏ Follow the market
- ❏ Cost conscious
- ❏ Mid-term goals
- ❏ Risk adverse

Box Checker
- ❏ Minimum necessary
- ❏ Least cost
- ❏ Short term goal
- ❏ Highly risk adverse

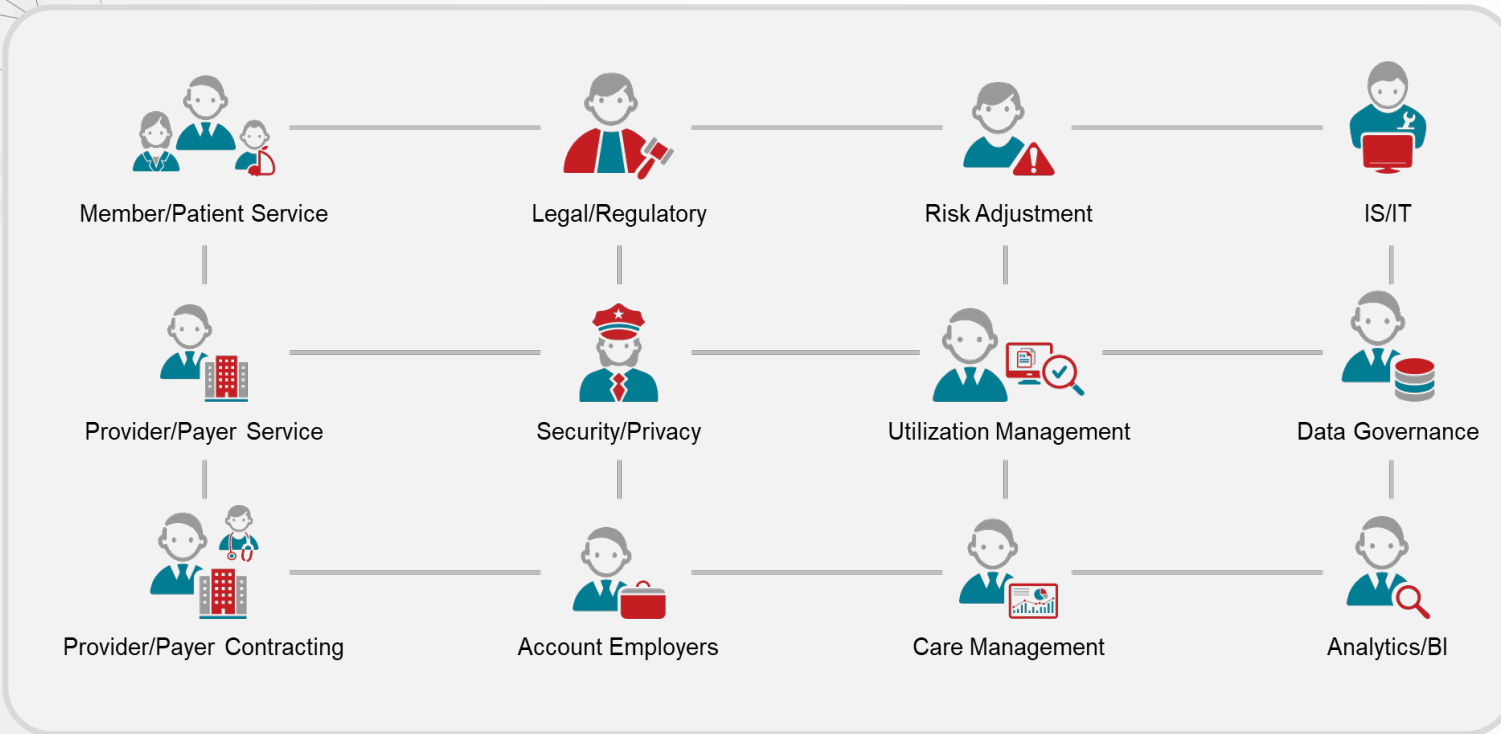# Interoperability Strategy Considerations

- What is your strategy?
  - Business – organizational - competitive
  - operational – technical

- How will you prioritize?
  - Mandates – market demand – value – feasibility

- How will you measure the value to your organization?

- How will you keep up with everything that is going on?
  - Regulations – multi-stakeholder collaboratives – competition
  - Innovation and technology advancements

- How will you drive/manage change and communication?
  - Internal - Consumers – Partners

- How will this impact your members and providers?

- How will you drive adoption and utilization?
  - Provider – Member – Patient – Community

- How can/will this change my market?
  - Competition - Product design - Network demands
  - Employer – Consumer – Government Programs

- Who is the TEAM?

It Takes a Team

Interoperability Has Enterprise Impact

INTERNAL STAKEHOLDERS AND PARTICIPANTS

Member/Patient Service

Legal/Regulatory

Risk Adjustment

IS/IT

Provider/Payer Service

Security/Privacy

Utilization Management

Data Governance

Provider/Payer Contracting

Account Employers

Care Management

Analytics/BI

Requires External Expertise

EXTERNAL

Consultants
Subject Matter Experts

Technology
Partners

External
Stakeholders

Associations and
Collaboratives

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Visit the POCP @ HIMSS landing page for:
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Questions?

Thank You

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