

Prior Authorization: Best Practices for Manufacturers

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Executive Summary



Prior authorizations help ensure high-value patient treatment. But prior authorization is a tedious process, and PAs often are rejected for administrative errors—not because the treatment is deemed unnecessary. Manufacturers should collaborate with payers and providers to streamline the prior authorization process and improve patient access.

Why Should Manufacturers Care About Prior Authorization?

Prior authorizations (PA) are designed to direct patients away from low-value care, but the unintended consequence is that high-value care may be caught up in PA transactions.

Prior authorization transactions are very complex, often requiring manual, human inputs. As a result, PAs often are rejected for manual, human errors—not because the treatment is deemed low-value.

However, there are ways that manufacturers can collaborate with payers and providers to streamline the PA process.

Impact of PA Delays and Denials

57%

of providers said delayed treatment causes medical complications



63%

of providers delayed a treatment decision due to wait time on PA decisions

Source: 2023 LMDD [survey](#)

The Two Most Common Reasons for PA Denials

1 Using clinical criteria not contained in Medicare coverage rules



2 Not enough documentation to support approval

Source: 2022 HHS [report](#)

How Manufacturers Can Streamline PA Transactions

- Promote accurate and code-driven coverage policies
- Develop simple but powerful billing and coding guides

Lowering transactional friction in the PA process yields positive experiences for payers, providers, patients, and caregivers—and, as a result, manufacturers.



What's Working in PAs?

- Standardization due largely to the adoption of electronic health records
 - Yes, but: The exponential growth of health data may actually slow PA decisions
- Transparent coverage policies list the rules by which PA decisions are governed
- The peer-to-peer review process with an appropriate provider to discuss exceptions
- Companies dedicated to streamlining the PA process

Five PA Myths... and How Manufacturers Should Respond

1 **“PAs are a provider problem.”**
Each new therapeutic and service can bring nuances into PA transactions that are rare and unique.



To do: Help providers build rules into their electronic medical records and practice administration software to reduce the logistical drag of PA transactions

2 **“PAs should be avoided.”**
It's tempting for manufacturers to focus on the value proposition of their products and think that PA is not required. The reality is that PA processes are central to health care transactions.



To do: Include PA in your process rather than learn later that your product is not exempt

3 **“PAs are the sole barrier to access.”**
Therapy adherence, side effects, and long-term financial and logistical toxicities can all be barriers to care.



To do: Support for the entire transaction—even the entire treatment journey—is important for all stakeholders, even with PA in place

Five PA Myths... and How Manufacturers Should Respond (cont'd)

4

“PAs only exist at the payer level.”

It's important to remember that with payers transferring risk to organized practices and integrated delivery systems, PA-like controls may exist in other parts of the transaction.



To do: Understand where other similar coverage decisions are made in the care continuum, and make sure that transactional efficiencies occur at those points as well

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“CMS will fix this.”

While it is true that CMS has proposed a rule to simplify PA, a final rule is not expected anytime soon.



To do: Don't wait; providers and patients need help now

Four PA Best Practices for Manufacturers

- 1 Acknowledge the complexity.** Prior authorizations combine a clinical transaction with an economic one. They are complex by nature; simplifying is likelier than eliminating them.
- 2 Meet with payers early and often.** Coverage doesn't happen overnight. Many payers have a pipeline of coverage policy and PA transactional requests, both for new launches as well as coverage policy updates and maintenance. Getting share of voice and showing that you can solve PA problems is vital.
- 3 Play by the rules.** Prior authorizations are largely rules-based transactions. When your evidence doesn't easily fit into coding paradigms that are easily transmitted electronically, PAs will be more complicated.
- 4 Leverage your evidence.** Early evidence generation often focuses on launch but conducting subsequent HEOR studies that can translate to rules-based processes may simplify PAs down the line.

Don't stop with the PA: Prior authorization alone does not automatically lead to treatment access. Surrounding PA support with sample medical necessity letters, academic references, as well as support for the patient and caregiver, all have positive influences on the patient's access to therapy.

How Can Valuate Help?



Valuate Health exists to help you tell your story, explain why payers should cover your high-value therapy, and create a reasonable PA process. We understand the important attributes of your value story are unique.



We focus on the full spectrum of access challenges: transactional efficiency, reimbursement efficiency, patient support, and practice support. We are fluent in all the access challenges that come with introducing a new therapy or medication into the health care delivery system. Access means more than coverage. Coverage means better outcomes. Better outcomes means better lives.

Thank you



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