AVALON HEALTHCARE SOLUTIONS

SPECIAL POLICY SESSION: EXPLORING THE IMPACT OF THE ELECTRONIC PRIOR AUTHORIZATION (ePA) PROPOSED RULE

February 15, 2023

avalon

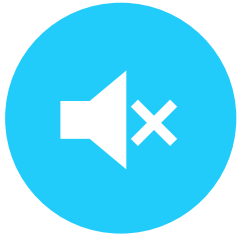
WELCOME & INTRODUCTIONS

Michele Norton, SVP, Product Marketing

avalon

Before We Start

This meeting is being recorded.



We will be **MUTING** everyone except the presenter to make sure the audio is clean and clear.

Q&A will be done by using the **“Questions” feature**.

avalon

Agenda

WELCOME & INTRODUCTIONS

Michele Norton, SVP, Product Marketing

2023 OUTLOOK: ACTIVE YEAR FOR RULEMAKING

UNDERSTANDING ELECTRONIC PRIOR AUTHORIZATION (ePA) PROPOSED RULE AND THE IMPACT ON HEALTH PLANS

Julie Barnes, Maverick Health Policy

Q&A AND CLOSING REMARKS

Michele Norton, SVP, Product Marketing

MAVERICK'S 2023 OUTLOOK: ACTIVE YEAR FOR RULEMAKING

Julie Barnes, Maverick Health Policy

avalon

Overview

- Maverick's 2023 Outlook for Health Plans
- Context: The electronic prior authorization (ePA) back story
- ePA Rule Overview
  - Mandates for payers
  - Proposal for providers

Maverick's 2023 Outlook: Active Year for New Rulemaking

Comment Deadline	Proposed Rule
January 31, 2023 (Date Passed)	OCR/SAMHSA Proposed Rule on SUD Confidentiality (42 CFR Part 2 data) and alignment with HIPAA
March 10, 2023	FTC Proposed Rule to Ban Noncompete Clauses
March 13, 2023	CMS ePA Proposed Rule
March 21, 2023	CMS Attachments, eSignature, Prior Authorization Standards

***Other Regulatory Activity:**

- **Post-PHE Changes**
- **FTC and DOJ action on health information sharing**
- **No Surprises Act**
- **Transparency in Coverage**
- **MA RADV Audits**

**This list is quite incomplete so as not to overwhelm*

avalon

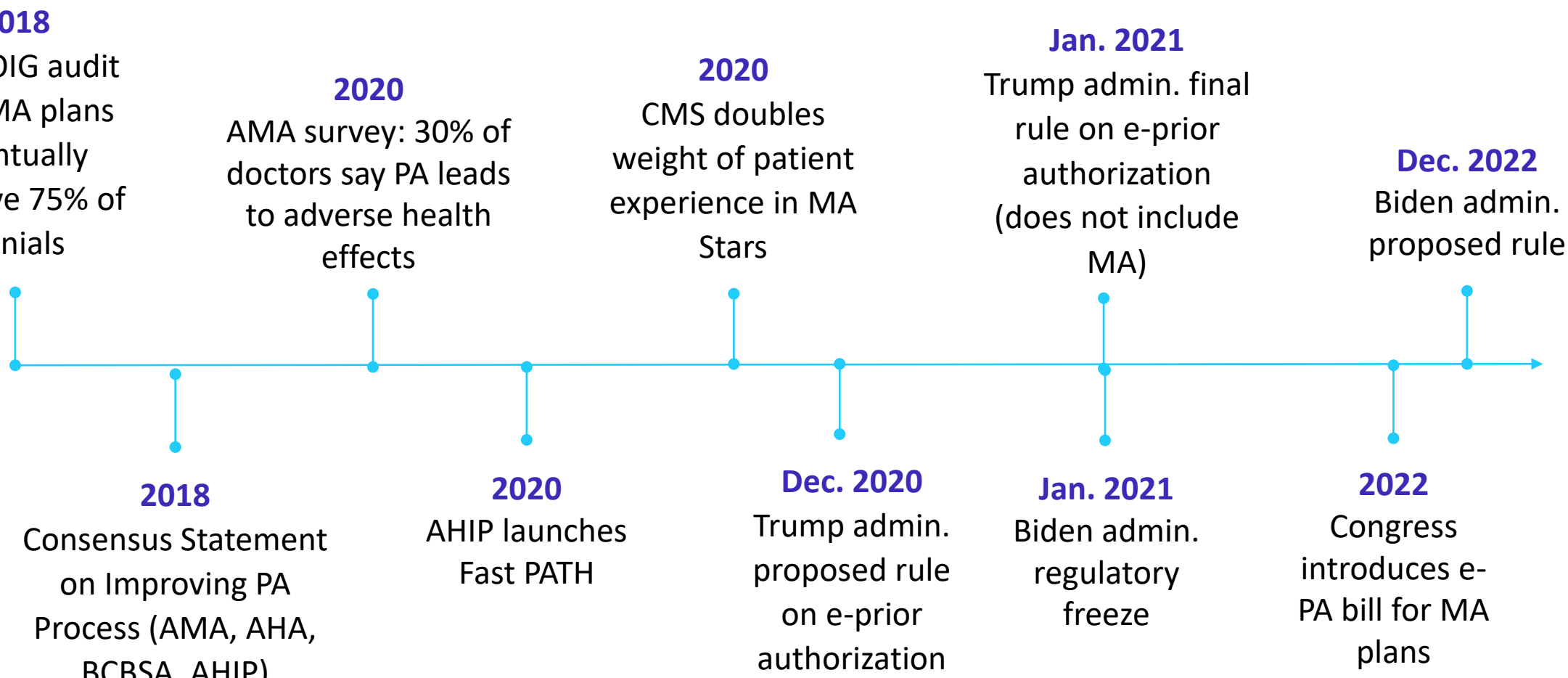
Maverick Health Policy

UNDERSTANDING ELECTRONIC PRIOR AUTHORIZATION (ePA) PROPOSED RULE AND THE IMPACT ON HEALTH PLANS

Julie Barnes, Founder and Principal, Maverick Health Policy

avalon

What Led to the Prior Authorization Rule



avalon

Maverick Health Policy

Basics of the E-prior Authorization Proposed Rule

Proposed ePA Rule Published: December 13, 2022

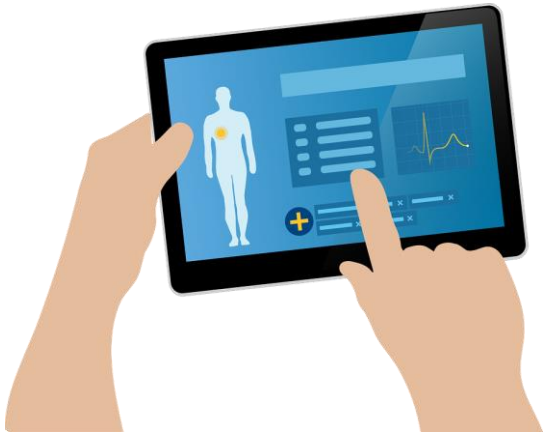
Goal	Streamline existing prior authorization processes; improve health data access and exchange and care coordination
Entities Impacted	Medicare Advantage plans Medicaid and CHIP managed care plans and state programs Qualified Health Plans on Federally-Facilitated Exchanges Facilities / clinicians with Medicare interoperability requirements
Implementation Date	January 1, 2026
Comment Deadline	March 13, 2023
Requirements	Payers must create 3 new APIs and update 1 existing API to improve prior authorization and interoperability

The ePA Proposal for Payers

The ePA rule remains mostly the same as the December 2020 proposed rule:

- **ePA Requirements, Documentation, and Decision (PARDD) API** (more details on the next slide)
- **Payers Must Give Reason For Denial**
- **Shorter Decision Timeframe (3-7 days)**
- **New Reporting Requirements** (e.g., % of PA approved, denied, ultimately approved, average time between submission and approval)

The ePA Proposal for Payers



ePA Requirements, Documentation, and Decision (PARDD) API

- Queries the payer system to see if an item or service requires ePA
- Identifies documentation requirements
- Automates the compilation of necessary data for populating the HIPAA-compliant ePA transaction
- Enables payers to provide the status of the ePA request, including whether the request has been approved, denied, or requires more information

The ePA Proposal for Payers

Other details:

✓ Payers must implement a FHIR-based API

✓ Requirements do not apply to ePAs for any drugs

✓ Payers must share ePA information and documentation with patients within one (1) business day of any update to the ePA request or decision and make any PA decision available for one-year post-decision.

The ePA Rules for Providers

What: New MIPs measure under Promoting Interoperability performance category

Applies to: MIPS-eligible clinicians under the Promoting Interoperability performance category of MIPS and for eligible hospitals and CAHs under the Medicare Promoting Interoperability Program.

Timeline: Reporting begins 2026; scoring begins 2027---scoring methodology TBD

CMS is asking for suggestions about other incentives for providers to use the new ePA API.

Measure Calculation:

$$\frac{Number\ of\ prior\ authorization\ requests\ sent\ through\ the\ PARDD\ API\ using\ data\ from\ certified\ EHR\ technology\ (CEHRT)}{Number\ of\ total\ prior\ authorization\ requests}$$

The ePA Proposal for Payers

CMS is proposing to require payers to use application programming interfaces (APIs) to share information as follows:

With Whom Payers Must Share Information via APIs	What Information Must Be Shared and the Purpose of Sharing
Patients-Enrollees (Patient Access API)	Prior authorization decision information about requested items and services, but not drug information, so patients have transparency about the coverage decision-making process
In-network providers who are treating the plan's enrollees (Provider Access API)	Claims and encounter data (but not cost information) to better facilitate coordination of care, and support value-based payment models
Other Health Plans (Payer-to-Payer API)	An enrollee's health information and prior authorization decisions (but not cost information or provider remittances), when an enrollee requests that the information be shared, so an individual's medical history is more complete

Patient Access API Updates

WHAT: Implement an API to share data with a third-party app of member's choosing when asked

- Send adjudicated claims, encounters, remits, enrollee cost-sharing, clinical data including lab tests within 1 business day of request

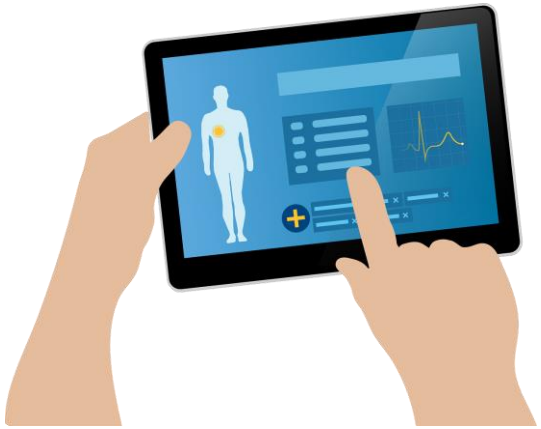
WHAT'S NEW: Must include prior authorization information throughout full process and update within 1 business day of any changes

WHO: MA, CHIP, Medicaid, QHP on FFEs

Reminder: What do plans have to tell beneficiaries about?

- Must have consumer-friendly language, on-line or thru a customer portal or customer service help desk, on how to:
  - Select an app that they can ask plans to download their information to
  - Keep their data private and secure
  - Submit complaints to OCR or FTC

Payers Must Share Data with Providers



WHAT: Unless an enrollee says not to, a provider can request a payer sends enrollee clinical and claims data (excluding provider payment and remittances)

HOW: Using a FHIR-based API

What else do health plans have to do?

- Create an attribution process that establishes a patient-provider relationship
- Educate patients and providers about this API, allow patients to opt-out

Payers Must Share Data with Payers

WHAT: Upon enrollee request, regulated entities must exchange data using a FHIR API for members that are transitioning to a new payer

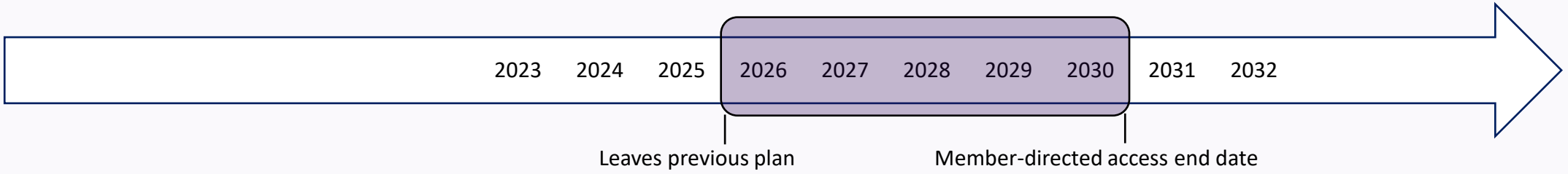
- After request is made, old payer must send data to new payer in 1 business day
- Data to be included is all USCDI data dating back to 2016

WHEN: Starting January 1, 2026

WHO: MA, Medicaid, CHIP, QHP issuers in FFEs

Members will also have a 5-year window to request payers access their data from a previous payer

- For example, if you leave your insurer in 2025 you have up until that exact date in 2030 to request that your former payer provides your data to your new payer



avalon

Maverick Health Policy

TAKEAWAYS

- **The electronic prior auth rule has 4 parts:**
  - Requirements for payers to automate the prior auth process with a new FHIR-based API and an incentive to get providers to use the new ePA API
  - Three payer mandates to share certain information with patients, providers, and other payers
- **Comment period closes on March 13, 2023**
  - Stakeholders have an opportunity to tell CMS what their concerns are now, not so much later
- **There is a LOT going on**
  - Focus and diligence will be required to keep up with the regulatory activity that requires new operational processes by payers and providers

Maverick Health Policy

avalon

Q&A AND CLOSING REMARKS

Michele Norton, SVP, Product Marketing

Thank you

Clients Contact:
Kerri Fritsch, Chief Client Officer
813-751-3832
kerri.fritsch@avalonhcs.com

Prospects Contact:
Barry Davis, Chief Growth Officer
201-218-3425
barry.davis@avalonhcs.com

SAVE THE DATE

Avalon Webinar - April 4| 2:00 - 3:00 PM EDT

To register for our upcoming webinars, please visit: www.avalonhcs.com