

Electronic Preauthorization

Creating Efficiencies in the Preauthorization Process

Overview

Making phone calls and sending faxes for preauthorization requests can be a time-consuming process. Maryland law, established in 2012, aims to improve the preauthorization process for providers.¹ Providers can now take advantage of State-regulated payors' (payors) and pharmacy benefits managers' (PBMs) online portals and submit preauthorization requests electronically, eliminating phone calls, mail and faxes.²

What is Preauthorization?

Preauthorization is required by payors or PBMs before certain health care services can be rendered by a provider.^{3,4} Preauthorization aims to ensure that patients are receiving the most cost-effective and appropriate treatment. For example, preauthorization for certain prescription drugs is required for reasons such as the availability of low-cost generic alternatives, age restrictions, or prescribing higher than normal dosages.

Provider Challenges with the Preauthorization Process

The preauthorization process varies widely among payors and PBMs and can be a lengthy process, relying heavily on paper forms, faxes, and phone calls. Additionally, preauthorization requests can require follow-up for clarification or additional information before being approved or denied. Nearly two-thirds of physicians report waiting several days to receive approval for tests, procedures, and prescription drugs;

two-thirds of physicians also report difficulty in determining which tests, procedures, and prescriptions require preauthorization.⁵ One way to address these challenges is by digitizing the preauthorization process.

Benefits of Electronic Preauthorization

Electronic preauthorization allows providers to submit and track preauthorization requests online, reducing time spent mailing or faxing requests and/or calling for follow-up. The goal of electronic preauthorization is to improve quality of care, increase patient satisfaction, and minimize the delay in care that can occur while waiting for a preauthorization determination. In Maryland, once an electronic preauthorization request is submitted, a payor or PBM must render a determination within established timeframes:

Pharmaceuticals

- Real-time; or
- Within one business day following receipt of all pertinent information.

Medical Services

- Within two business days following receipt of all pertinent information.

Online Portal Features

Payors and PBMs online portals are fairly similar, providing about the same functionality. Typical features include:

- Access to the online portals with a single click from the provider home page;
- Listing of health care services that require preauthorization and the key criteria for making a determination;
- Ability to search for a member when creating a preauthorization request; and
- Assignment of a unique identification number to track and manage each preauthorization request.

¹ Md. Code Ann., Health-Gen. §19-108.2 intends to digitize the preauthorization process that is required by State-regulated payors and PBMs prior to the delivery of certain medical and pharmaceutical services.

² For more information on payors' and PBMs' online portals, visit MHCC's website:
mhcc.maryland.gov/mhcc/pages/hit/hit_preauthorization/hit_preauthorization.aspx.

³ Code of Maryland Regulations 10.25.17.02B(5).

⁴ Preauthorization determines insurance coverage and eligibility for a certain pharmaceuticals and medical services and can involve a decision of medical necessity.

⁵ AMA Survey of Physicians on *Prior Authorization Requirements* May 2010.

Resources

Visit the Maryland Health Care Commission's website for more information about electronic preauthorization, including links to payors' and PBMs' online listings of health care services that require preauthorization as well as links to their online portals: mhcc.maryland.gov/mhcc/pages/hit/hit_preauthorization/hit_preauthorization.aspx.



**Farewell fax machine, mail
and phone**

**Get started with electronic
preauthorization today!**

