



# How data streamlines prior authorization and lowers cost

Key findings from a third party research study, the benefits and current outcomes using PreCheck MyScript® (PCMS) data are discussed in this white paper.

Providers want transparency regarding coverage, costs, and prior authorization requirements. They also need help navigating the increasing volume of non-clinical tasks they face. Research studies indicate that providers spend almost twice as much time on administrative work than actually seeing patients.<sup>1</sup> Nearly nine out of ten providers report an increase in the administrative time it takes to request and process prior authorizations according to the American Medical Association.<sup>2</sup>

Prior authorizations (PAs) play an important role in managing prescription drug costs, controlling misuse and protecting patient safety to ensure quality therapeutic outcomes. At Optum, providers tell us that the ability to minimize PAs has been a key driver in their decision to adopt PreCheck MyScript (PCMS), since its introduction to the market in 2017.



## Read on to learn how PCMS:

- Saves patients money
- Encourages better prescriber-patient conversations
- Increases patient medication adherence
- Improves provider efficiency and time savings
- Increases pricing transparency allowing for more informed decision making
- Delivers real-time prescription options, out-of-pocket cost comparisons, and benefit coverage information at the point of prescribing

# What is PreCheck MyScript?

PCMS is real-time benefit data that is embedded within providers' electronic health records (EHR) systems. When a provider prescribes medication for a patient, a trial claim is run through the Optum Rx pharmacy claims engine and displays the patient's coverage status, formulary options and availability of alternative medications. It also shows how much a specific patient will pay for the medication, based on their plan design including deductibles and out-of-pocket costs.

A real time benefit check differs from a Formulary and Benefit check (F&B). While a Formulary and Benefit check provides guidance to eligibility and drug tier, a real time benefit check runs a trial claim and therefore accurately displays the price the patient will pay at various pharmacies and if a prior authorization is required.

By calculating the exact cost each patient will pay, and displaying availability of lower cost alternatives and prior authorization requirements, PCMS data:

- Provides much needed transparency to the prescribing process
- Allows providers to focus more on patient care, rather than administrative tasks
- Enables patients to get their medications and start therapies faster, while saving money
- Facilitates more informed decisions by providers and patients






Lastly, this transparency at point of prescribing can also eliminate benefit confusion so patients get the most appropriate, economical medications available without delay.

By integrating PCMS data into the real-time benefits tool (RTBT), providers gain access to available prescription options, out-of-pocket cost comparisons, real-time authorization and benefit coverage information at the point of prescribing.

## Smarter processes, easier decision-making, healthier clinical and financial outcomes

When PCMS data is utilized, providers are able to focus more on patient care, rather than administrative tasks.

- By displaying formulary options and requirements, PCMS data allows providers to easily avoid prior authorizations where clinically appropriate, thereby saving 50 minutes they currently spend on each prior authorization request.<sup>3</sup>
- Providers can save an additional 50 minutes by avoiding a prior authorization denial appeal.<sup>3</sup>
- Patients save an average of \$87 and health plans \$237 per prescription when providers select lower-cost alternative drugs suggested by PreCheck MyScript data.<sup>4</sup>
- Patients' medication adherence increased by up to 4% for three common chronic conditions.<sup>5</sup>

Stakeholder benefits and outcomes		
Patients		\$87 savings/per Rx fill
		Up to 4% improved medication adherence for 3 chronic conditions: diabetes, hypercholesterolemia, hypertension
Providers		Up to 50 minutes and \$41 saved per prescription per patient by avoiding prior authorization <sup>3</sup>
Health plans		\$237 savings per prescription filled
Pharmacies		32% lower administrative cost per claim <sup>6</sup>

# Study evaluates how PCMS data improves the prescribing process

## Findings

The study was designed to evaluate how PCMS data improves the prescribing process – by minimizing the time and cost associated with providers requesting prior authorizations – and impacts costs for key stakeholders in the health care ecosystem. Top-level results demonstrate that PCMS data helps achieve cost savings while enhancing transparency, provider efficiency and health outcomes, including increased medication adherence for select chronic conditions.

## Methodology

Evaluation consisted of 12 months of data including 28 million unique prescribing events and 30 million prior authorization requests. The study compared prescribing events where PCMS data was used to complete a real time benefit check versus those where a real time benefit check was not used. The analysis shows the costs associated with each step of the prescription process, including when providers write a prescription and complete a prior authorization; when pharmacies fill a prescription; and any follow-ups by providers and pharmacies.

Cost and time savings were calculated using industry benchmarks such as:

- Average provider salary
- Average length of time to write a prescription
- Frequency of prescriptions being rejected for prior authorization
- Length of time for providers to respond to, and appeal, a rejected claim

Similar calculations were performed for the administrative steps in the pharmacy.

The impact of PCMS data on medication adherence was also measured. This reflected the experience of a continuously enrolled population (both before and after adoption of the tool) within three disease states: diabetes, hypercholesterolemia and hypertension.



## Top-line results

- Lower prescription costs for patients
- Reduced administrative costs for providers and pharmacies
- Fewer prior authorization requests
- Quicker access to medications
- Increased medication adherence



# Today's impact on patients, providers, health plans and pharmacies

PCMS data benefits patients, providers, health plans and pharmacies in several ways, including lower costs, improved outcomes and reduced administrative burdens. Here is a summary of current outcomes and key findings from the third-party research study, grouped by stakeholders:



## Patients

When prescribers selected lower-cost alternative drugs suggested by PCMS data, patients saved an average of \$87 per prescription.<sup>4</sup>

Within 80% of prescribing occasions, a tier 3 drug was prescribed and PCMS data alternatives, the provider switched to a tier 1 or tier 2 drug, saving the patient money.<sup>6</sup>

Patients whose providers used PCMS data were more likely to obtain their medication than those whose providers did not use the tool.<sup>7</sup>

After PCMS data is implemented by their providers, patients' medication adherence improved as follows:

- 4% increase for diabetes<sup>5</sup>
- 4% increase for hypercholesterolemia<sup>5</sup>
- 2% increase for hypertension<sup>5</sup>

The increase in medication adherence is significant in light of clinical research showing adherence is a key factor in improving chronic disease outcomes and lowering health care costs.<sup>8</sup>

## Providers

Providers using PCMS data save approximately 50 minutes per prescription each time they select an alternative which avoids prior authorization requirements.<sup>3</sup>

They save an additional 50 minutes by further avoiding any downstream appeal processes. (Note that providers typically write an alternative prescription when an appeal is denied, adding even more time for handling a single prescription for one patient.)<sup>3</sup>

Based on average salaries and time estimates for managing the prior authorization process, writing a prescription requiring a prior authorization costs providers \$41.05 on average.<sup>3</sup> Note that this cost could be avoided in every case in which providers select an alternative presented by PCMS which does not require prior authorization.

## Health plans

- Health plans save \$237 on average each time a prescriber shifts to an alternative drug suggested by PCMS data<sup>4</sup>
- Plans benefit from increased efficiencies and lower costs for patients, providers and pharmacies

## Pharmacies

- Pharmacies realize lower administrative costs per prescription for drugs not requiring prior authorization
- Pharmacy administrative costs are 32% lower when providers use PCMS data<sup>3</sup>
- Pharmacies save \$1.78 per script<sup>3</sup>
- PCMS data reduces the number of claims when a formulary rejection occurs
- Pharmacies save approximately 4 minutes per paid claim when using PCMS data for cases of formulary rejections<sup>6</sup>

Note, pharmacy costs are driven by processing time related to data entry into the dispensing system, and administrative time for prescriptions requiring prior authorization or review due to coverage ineligibility. These processes may require several approvals and requests, resulting in higher cost per prescription.

## New enhancements

We continue to broaden PCMS data access to ensure the entire care team has visibility into patient-specific prescribing costs within the normal workflow. By continuing to enhanced PCMS data, greater transparency is given to the provider, including improved “next step” messaging and “smarter” preferred alternatives within the normal workflow. Future PCMS data enhancements aim to include diagnosis codes for more personalized alternatives and other pertinent data regarding step therapy and prior authorization requirements.

## Conclusion

In today’s complex health care environment, getting patients the right medicine without delay is a key to reducing costs and improving outcomes. To meet this challenge, Optum is giving providers real-time actionable prescription data so they may prescribe more effectively, reduce administrative burdens and reduce patient out-of-pocket costs.

PCMS data reduces friction and increases transparency in the prescribing process by minimizing the need to obtain prior authorizations and providing robust clinical and cost data. With the paperwork burden reduced, providers can spend more time caring for patients, while patients get quick access to effective, cost-efficient medications. Today, we have approximately 1 million providers utilizing PCMS servicing over 5.2 million members a month.<sup>4</sup>

## Putting real-time patient specific pharmacy information in the hands of the provider



Learn more about PreCheck MyScript at [optum.com/pcms](https://optum.com/pcms)

### References

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