

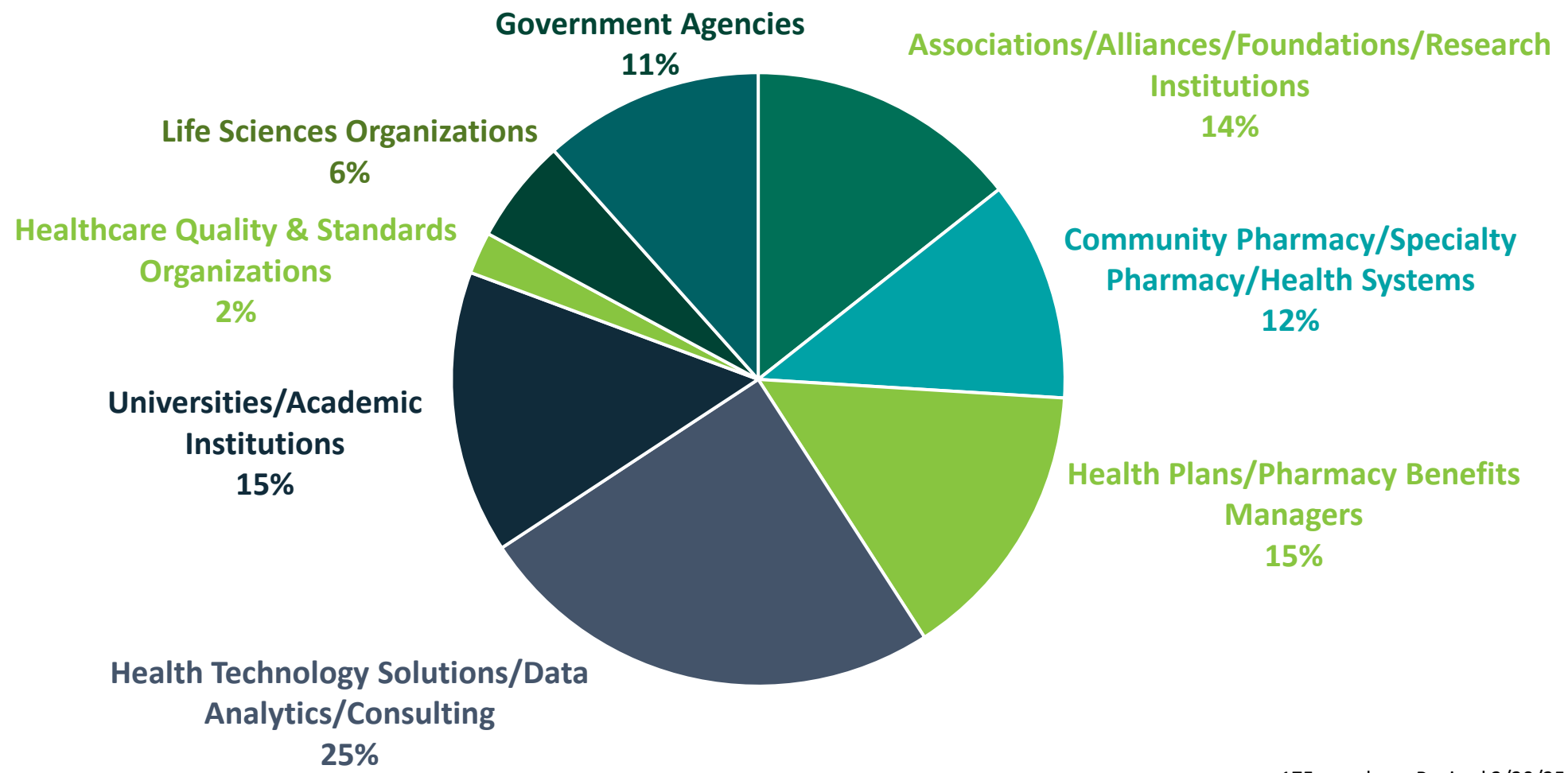


Prior Authorizations and Quality of Care

Micah Cost, PharmD, MS, CAE
CEO
Pharmacy Quality Alliance



Multi Stakeholder Membership



~175 members; Revised 2/20/25

PQA Measure Domains

Adherence

- Diabetes
- Renin Angiotensin System Antagonists
- Statins

Appropriate Use

- Statin Use in Persons with Diabetes
- INR Monitoring for Individuals on Warfarin

Safety

- Polypharmacy in Older Adults
- Concurrent Use of Opioids and Benzodiazepines

Medication Management Services

- Completion Rate for Comprehensive Medication Review
- Medication Therapy Problem Resolution

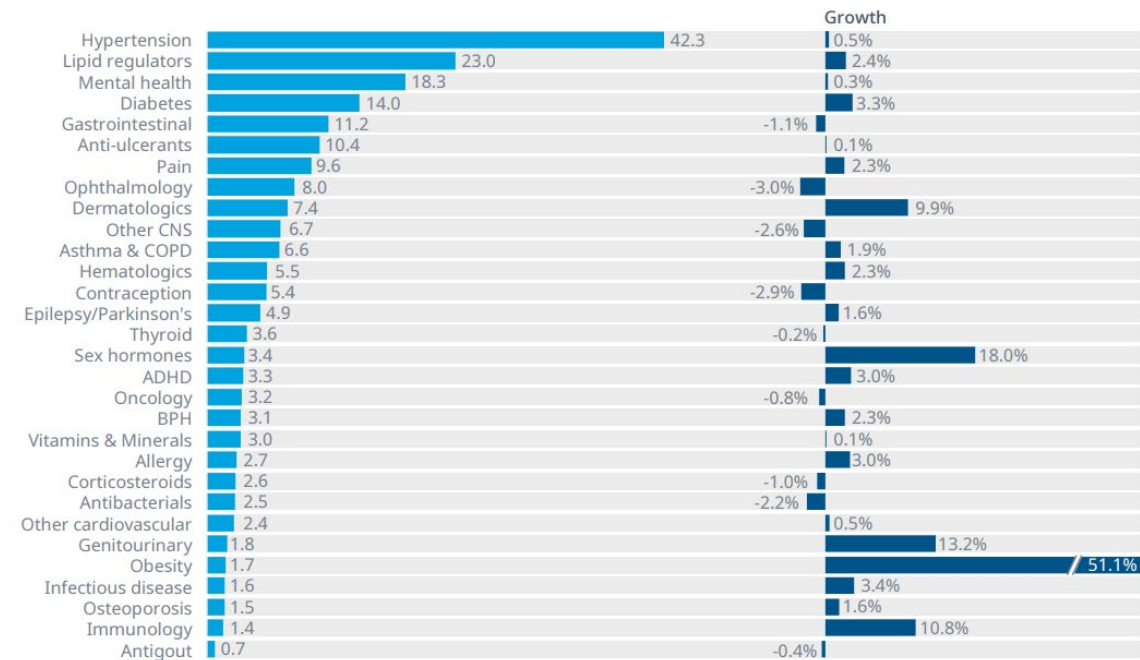
INR = International Normalized Ratio

Trends in Medication Use and Prior Authorizations

IQVIA Report on Use of Medicines in the US - 2025

- The U.S. market at net prices grew to **\$487Bn in 2024**, an increase of 11.4%, up from 4.9% in 2023.
- **Specialty medicines account for 54% of spending**, up from 47% in 2019, driven by growth in immunology and oncology, while traditional therapies have seen significant growth in obesity and diabetes driven by GLP-1 agonists. Net spending for biologic medicines has nearly doubled since 2019 with slower growth in small molecules.
- Total estimated net spending on medicines in 2029 will reach **more than \$600Bn**.

Exhibit 8: Top 30 therapy areas by defined daily doses (DDDs) 2024 (Bn) and % growth from 2023



Source: IQVIA National Sales Perspective, Dec 2024; IQVIA Institute, Mar 2025.

Source: IQVIA. Understanding the Use of Medicines in the U.S. 2025. <https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/understanding-the-use-of-medicines-in-the-us-2025>

IQVIA Report on Use of Medicines in the US - 2025

- Across all payment types **27% of new prescriptions go unfilled** primarily due to medicines not being covered by payers, but over one-third go unfilled in Medicaid due to a larger contribution from rejections of prior authorizations.
 - Payer rejections may be driven by formulary decisions, failure to satisfy prior authorization requirements, refilling too soon or exceeding volume limits, but nearly half of those rejections are overcome either by the patient switching to a secondary insurer, paying cash, or adding a coupon.
- For newly introduced generic drugs launched from 2019-2023, observed up to two years after the expiry event, **over 25% of generic prescriptions were rejected** due to exclusion from formularies or prior authorization, in contrast to **42% of off-patent branded prescriptions**.
- Medicaid has lower rejection rates for brands and higher rejection rates for generics excluding administrative reasons (refill limits, refill too soon, step therapy or prior authorizations) suggesting that Medicaid may not cover the medicines, and off-patent status is not resulting in a formulary change.

Source: IQVIA. Understanding the Use of Medicines in the U.S. 2025. <https://www.iqvia.com/insights/the-iqvia-institute/reports-and-publications/reports/understanding-the-use-of-medicines-in-the-us-2025>

KFF Poll: Prior Authorizations and Patient Experience

- **51% of insured adults** say that in the past two years, their health insurance company has required them or their health care provider to get prior authorization before they could receive a health care service, treatment, or medication that they needed.
- **47% of those who experienced a need for prior authorization** in the past two years say it was “somewhat difficult” (34%) or “very difficult” (13%) to navigate the process of getting prior approval for a health care service, treatment, or needed medication.
- Among all insured adults, **29% say their health insurance company has delayed or denied** their ability to get a service, treatment, or medication that they or their doctor requested in the past two years.

Source: KFF. Public Finds Prior Authorization Process Difficult to Manage. <https://www.kff.org/patient-consumer-protections/kff-health-tracking-poll-public-finds-prior-authorization-process-difficult-to-manage/>

The screenshot shows the KFF website header with navigation links: Topics, Policy Research, Polling, Health News, Data & Features, For Media, and About. Below the header is a 'TRENDING' section with links to ACA Marketplaces, Tax and Budget Law, and Medicaid. The main content area displays the article title 'KFF Health Tracking Poll: Public Finds Prior Authorization Process Difficult to Manage' with authors Grace Sparks, Julian Montalvo III, Shannon Schumacher, Ashley Kirzinger, and Liz Hamel. It also includes a 'Poll Finding' section and a 'Download' button for the 'TOPLINE & METHODOLOGY'. On the right side, there is an 'ALSO OF INTEREST' section with links to related articles.

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Poll Finding

KFF Health Tracking Poll: Public Finds Prior Authorization Process Difficult to Manage

Authors: Grace Sparks, Julian Montalvo III, Shannon Schumacher, Ashley Kirzinger, and Liz Hamel
Published: Jul 25, 2025
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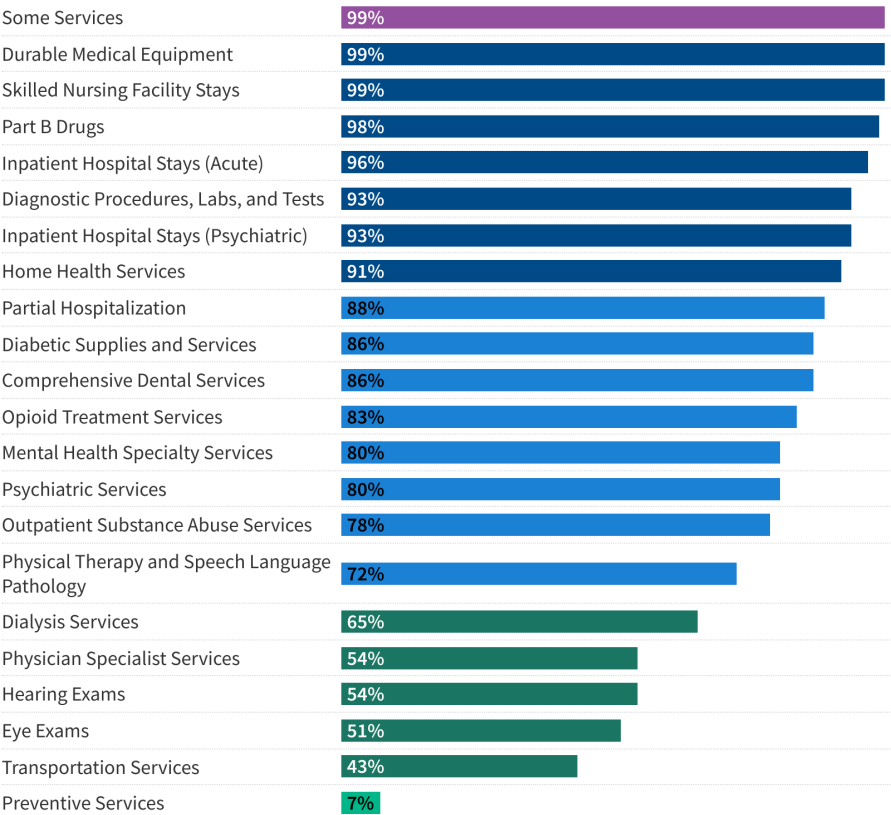
Prior Authorizations - *Not Just Medications*

- **Nearly all Medicare Advantage enrollees (99%) are in plans that require prior authorization for some services**, which is generally not used in traditional Medicare.
- Prior authorization is most often required for relatively expensive services, such as skilled nursing facility stays (99%), Part B drugs (98%), inpatient hospital stays (acute: 96%; psychiatric: 93%) and outpatient psychiatric services (80%) and is rarely required for preventive services (7%).

Source: KFF. Medicare Advantage in 2025: Premiums, Out-of-Pocket Limits, Supplemental Benefits, and Prior Authorization. <https://www.kff.org/medicare/medicare-advantage-premiums-out-of-pocket-limits-supplemental-benefits-and-prior-authorization/>

Figure 9

Share of Medicare Advantage Enrollees Required to Receive Prior Authorization, by Service, 2025



Note: Excludes employer group health plans and special needs plans. Preventive services are Medicare-covered zero-dollar cost-sharing preventive services. For supplemental benefits, including dental, hearing, vision, and transportation, the share of enrollees required to receive prior authorization are based on the enrollees in plans that offer those benefits.
Source: KFF analysis of CMS Medicare Enrollment and Dashboard Files, 2025.

KFF

Evaluating Prescription Turnaround Time in Specialty Pharmacy

SP-TAT-PH: Filling Industry Gaps and Meeting Needs



In 2021, PQA conducted surveys with focus groups of specialty pharmacy subject matter experts to capture attitudes, beliefs, and experiences regarding specialty pharmacy turnaround time.¹

1. Measuring Specialty Pharmacy Turnaround Time consistently is important to patient care.
2. Clear indication that specialty pharmacy prescription turnaround time is not measured consistently in the industry.
3. Barriers (e.g., prior authorization) and facilitators vary and can influence turnaround time.

Source: J Manag Care Spec Pharm. 2022;28:1244-1251. doi: 10.18553/jmcp.2022.28.11.1244. PMID: 36282928; PMCID: PMC10372971.

Rationale for Measuring Specialty Pharmacy Turnaround Time

Use of specialty medicine had grown rapidly in recent decades.^{2,3}

Patients receiving specialty medications often have complex, high-cost treatment needs, necessitating close management from care teams, including specialty pharmacies.^{2,3}

Prompt treatment initiation is important for optimal management of a variety of complex conditions, and TAT captures an essential element of this process.⁴⁻⁷

2. Kober S., *Biotechnol Healthc*, 2008;5(2):50-1. PMID: PMC2706163

3. Fein AJ., 2018

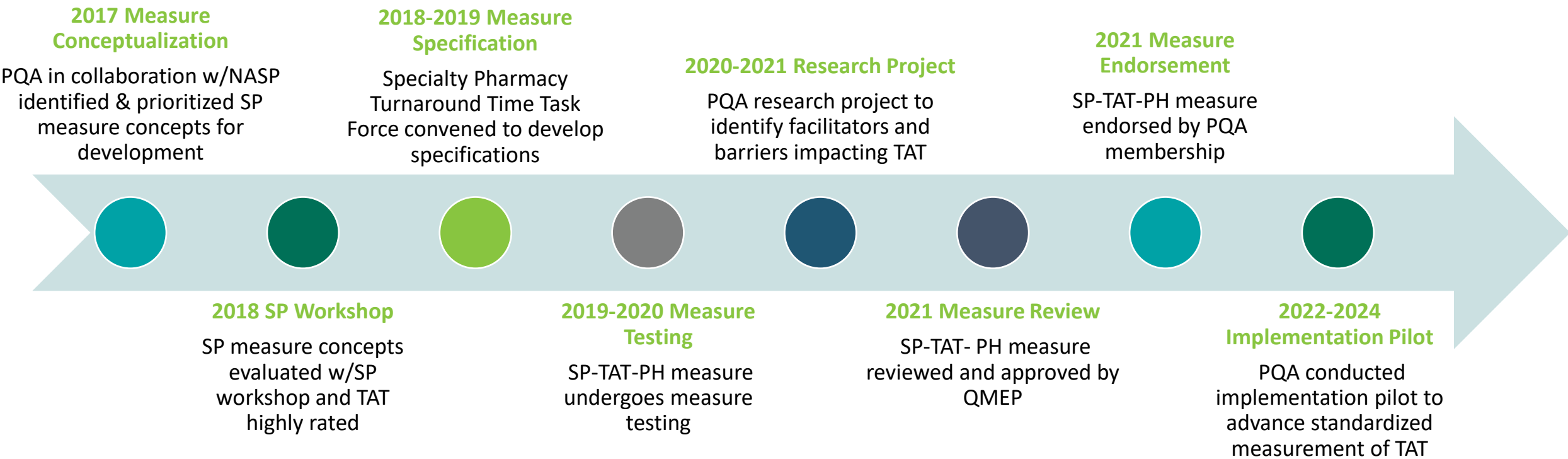
4. WHO, 2017

5. Demoruelle et al., *Curr Rheumatol.*, 2012; 14(5):472-80. PMID: PMC3616381

6. Khorana et al., *PLoS One.*, 2019; 14(3):e0213209. PMID: PMC6396925

7. Liao et al., *JAMA Otolaryngol Head Neck Surg.*, 2019; 145(11):1001-1009. PMID: PMC6743055

PQA’s Efforts to Standardize TAT Measurement



Source: Pharmacy Quality Alliance

Specialty Pharmacy Turnaround Time

Specialty Pharmacy Performance Measurement

Description: The average number of days between a specialty pharmacy receiving a new prescription for a specialty medication and the prescription being ready for pick-up or scheduled for delivery

Denominator: The total number of new prescriptions for medications included in the medication table

Exclusions: Prescriptions that received a “Refill too soon” error upon adjudication

Numerator: The sum of the turnaround times, in days, for all prescriptions included in the denominator

Data source: Dispensing system; clinical or care management system

Intended use: Performance measurement for specialty pharmacies



Source: Pharmacy Quality Alliance

PQA Pilot: Using the SP-TAT-PH Measure In Real World Settings

- In 2022, PQA launched the PQA Specialty Pharmacy Turnaround Time Implementation Pilot to advance standardized measurement of TAT.
- Project aims:
 - Implement the PQA-endorsed SP-TAT-PH measure to better understand the data sources used to calculate the measure, evaluate potential refinements to measure specifications
 - Identify opportunities for improvement
 - Assess barriers, facilitators and promising practices for optimizing TAT
- Five organizations—across the chain, independent, integrated delivery network (IDN) and PBM-owned specialty pharmacy models—participated in the pilot, and included Walgreens, Noble Health Services, Kaiser Permanente, Vanderbilt Specialty Pharmacy, and Accredo by Evernorth.

Source: Pharmacy Quality Alliance

Turnaround Time Rates by Condition

Condition	Participant 1	Participant 2	Participant 3	Participant 4	Participant 5
Cystic Fibrosis					
Growth Hormone					
Hemophilia					
Hepatitis C					
Hereditary Angioedema					
HIV					
Hypercholesterolemia					
Immunology					
Inflammatory					
Multiple Sclerosis					
Oncology					
Phenylketonuria					
PAH					
Transplant					



Source: Pharmacy Quality Alliance

Pilot Results: Barriers to Optimizing Turnaround Time



Prior Authorizations

Rigorous documentation process required by payers is burdensome. Processes to triage prescriptions that require prior authorization can help minimize delays.



Differing Patient Needs

There is a need for different coordinated approaches to patients. There is no “one-size-fits-all” intervention. Technology-averse patients can have longer TAT. Meeting patients where they are can reduce TAT.



Patient Assistance Programs

Navigating different assistance programs can be burdensome as SPs work through benefit challenges with payers and manufacturers. Broader education for pharmacists and coordinated benefits investigations can alleviate some of the burden.



Medication Shortages

Shortages can lead to longer TATs. The dynamics between switching a patient between generic and branded products in these scenarios can lead to longer TAT.

Source: Pharmacy Quality Alliance

Pilot Results: Facilitators for Optimizing Turnaround Time



Staffing

Sufficient staffing enabled specialty pharmacies to take on new tasks and distribute the workload.



Technology

Streamlining processes for quicker triage of incoming prescriptions enabled more timely interventions for prescriptions that require additional processes. Additionally, identifying activities for automation reduced redundancies, freeing up resources to focus on improvement efforts.



Communications

Improved communications between pharmacists and technicians led to more efficient TAT. Improvement between providers and pharmacists enabled quicker resolution for prescriptions that could not be dispensed or scheduled for delivery due to interventions needed to address cost, medication availability, or medication interactions.

Source: Pharmacy Quality Alliance

Pilot Results: Summary

- The PQA Specialty Pharmacy Turnaround Time measure implementation project generated critical learnings associated with barriers and facilitators to implementing a standardized quality measure and optimizing turnaround time.
- Improvements in data standardization and interoperability will further enable standardized measurement for specialty pharmacies.
- Despite current challenges associated with heterogeneous data, participants universally agreed that it is beneficial to standardize the way SPs measure TAT across the industry.

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Piloting the PQA Specialty Pharmacy Turnaround Time Quality Measure

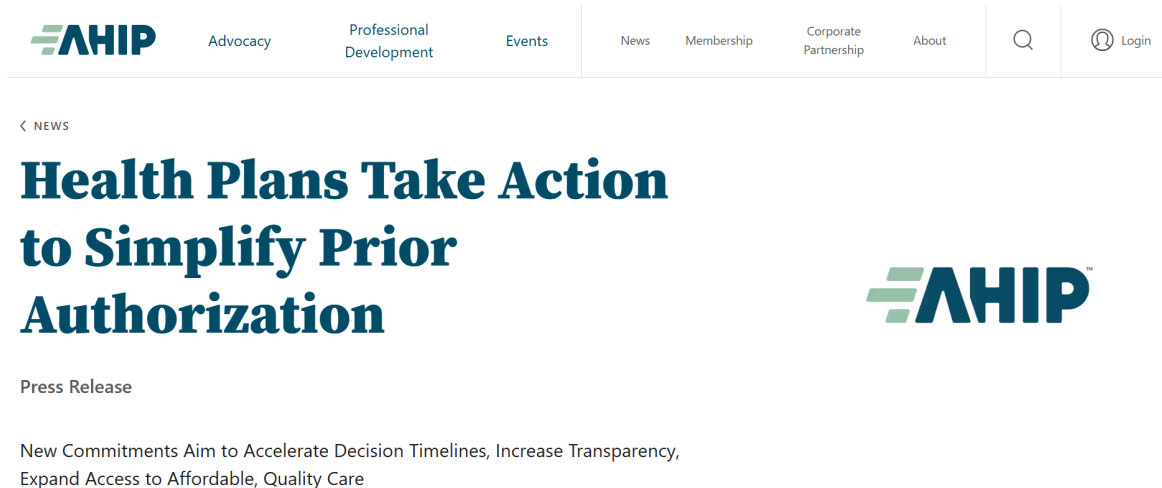
by: [Heather Gibson, MSPH](#)Category: [Performance Measurement](#)Jun
27

The use of specialty medicine has grown rapidly in recent decades, fueling parallel growth in the number of specialty pharmacies that serve patients who are prescribed specialty medications. Patients receiving specialty medications often have complex, high-cost treatment needs, necessitating close management from care teams, including specialty pharmacies. Specialty pharmacies dispense medications, for which timely initiation of therapy is a clinical priority to optimize outcomes.

Source: Pharmacy Quality Alliance. https://www.pqaalliance.org/index.php?option=com_dailyplanetblog&view=entry&category=performance%20measurement&id=326:piloting-the-pqa-sp-tat-measure

Recent Prior Authorization Reforms and Policy Proposals

AHIP Insurers Pledge to Simplify Prior Authorization



- Standardizing Electronic Prior Authorization
- Reducing the Scope of Claims Subject to Prior Authorization
- Ensuring Continuity of Care When Patients Change Plans
- Enhancing Communication and Transparency on Determinations
- Expanding Real-Time Responses
- Ensuring Medical Review of Non-Approved Requests

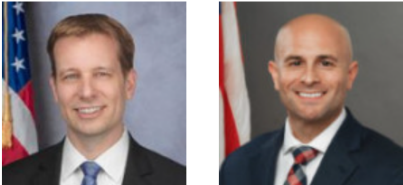
Source: AHIP. Health Plans Take Action to Simplify Prior Authorization. <https://www.ahip.org/news/press-releases/health-plans-take-action-to-simplify-prior-authorization>

ASTP/ONC HTI-4 Final Rule

Health IT Certification Program, Health IT Policy

ASTP/ONC Rule Creates Prescription Drug Cost Transparency, Eases Administrative Burden, and Speeds Access to Care

Tom Keane and Steven Posnack | JULY 31, 2025



Post Share Share Email

ASTP/ONC released a [final rule](#) enabling the use of certified EHRs to submit prior authorizations, select drugs consistent with a patient's insurance coverage, and exchange electronic prescription information with pharmacies and insurance plans.

- Adoption of a new certification criterion to support real-time prescription benefit checks
- Adoption of new HL7[®] Fast Healthcare Interoperability Resources[®] (FHIR[®]) certification criteria to support standardized, electronic prior authorization
- Updating the baseline standard for electronic prescribing for the first time in half a decade.
- Final Rule: <https://www.healthit.gov/topic/laws-regulation-and-policy/health-data-technology-and-interoperability-electronic-prescribing>

Source: ASTP/ONC. ASTP/ONC Rule Creates Prescription Drug Cost Transparency, Eases Administrative Burden, and Speeds Access to Care. <https://www.healthit.gov/buzz-blog/health-it-policy/astp-onc-rule-creates-prescription-drug-cost-transparency-eases-administrative-burden-and-speeds-access-to-care>