

**America's Health
Insurance Plans**

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July 10, 2015

Jim Freeburg
Special Assistant to the Commissioner
Washington Office of the Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255

Re: Prior Authorization of Pharmacy Benefits (R 2014-13)

Dear Mr. Freeburg,

I write today on behalf of America's Health Insurance Plans (AHIP) to provide comments on the Washington Office of the Insurance Commissioner's (OIC) draft regulations on prior authorization of pharmacy benefits.

AHIP is the national trade association representing the health insurance industry. AHIP's members provide health and supplemental benefits to more than 200 million Americans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare and Medicaid. Our members offer a broad range of health insurance products in the commercial marketplace and also have demonstrated a strong commitment to participation in public programs.

AHIP supports streamlining prior authorization processes in order to make access to affordable medications easier for consumers. We believe prior authorization is important for patient safety and utilization management and is key to establishing a more efficient system with the potential to reduce administrative costs thus being able to pass savings onto enrollees. We appreciate the opportunity to provide these specific comments on the June 10 stakeholder draft.

Emergency Fill Requirements

The proposed amendment defines in WAC 284-43-130(6) an "emergency fill." As defined, an "emergency fill" would be allowed when a member has an immediate therapeutic need for a medication which requires a prior authorization. AHIP supports this concept, however is concerned that the term "immediate therapeutic need" is not subsequently defined. The term "immediate therapeutic need" is later defined in new section WAC 284-43-420(1)(a), but in doing so only appears to apply such term to provisions in Section 420 with respect to utilization review – not the entire draft regulations.

We urge the OIC to clarify that "immediate therapeutic need" as defined in WAC 284-43-420(1)(a) also be applied with respect to "emergency fill" as defined in WAC 284-43-130(6). This would add clarification and consistency throughout the regulations.

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Additionally, WAC 284-43-325(7) dictates that, in every provider agreement, every issuer will state that emergency fills will be authorized and outlines various requirements (e.g., lists of medications, authorized amounts, and whether the emergency fill constitutes a covered service) that must be included in the provider agreement. AHIP asks the OIC for a phased-in timeframe for issuers to make such amendments to their provider agreements. Issuers do not negotiate all of their provider agreements at the same time and such agreements are numerous and onerous, not conducive to simple quick fixes. A phased-in approach would be more efficient and cost effective.

Notice of Pharmacy Claim Rejection

Proposed WAC 284-43-325(2) requires issuers providing notice of a pharmacy claim rejection to follow NCPDP guidelines and include specified information. We suggest that subsections (d) and (e), with respect to instructions for accessing additional information if needed through a website and telephone number, be further streamlined. The two could be combined to allow for the provision of either a phone number or information directing the submitting pharmacy to a website with more specific contract information (including phone numbers). Plans may have multiple phone numbers for different populations and jurisdictions; a more streamlined approach would reduce the administrative burden by allowing the plan to maintain to one website where all pharmacies can find the phone number or other contact information that they are looking for.

Drug Utilization Review Requests

To provide for further consistency among the regulations, we request that the term (and definition) “nonurgent review request” in WAC 284-43-420(1)(b) be revised to read “nonurgent *preservice* review request” as defined in WAC 284-43-410(1)(c).

Effective Date

We note that there is no proposed effective date presented for the proposed amendments. We advocate that the OIC not make these new requirements effective before January 1, 2016 to ensure that plans have adequate time to update their systems and processes as necessary. However, depending on when these regulations are finalized, AHIP suggests an effective date that leaves issuers adequate time to implement these new provisions.

We appreciate the opportunity to provide comments and look forward to continued discussions with you on this important issue. If you have any questions, please do not hesitate to contact me at gcampbell@ahip.org (971-599-5379).

Sincerely,



Grace Campbell
Regional Director