

ISSUE BRIEF

Use of NCPDP SCRIPT for Prescription Drug Prior Authorizations is Increasing

Introduction

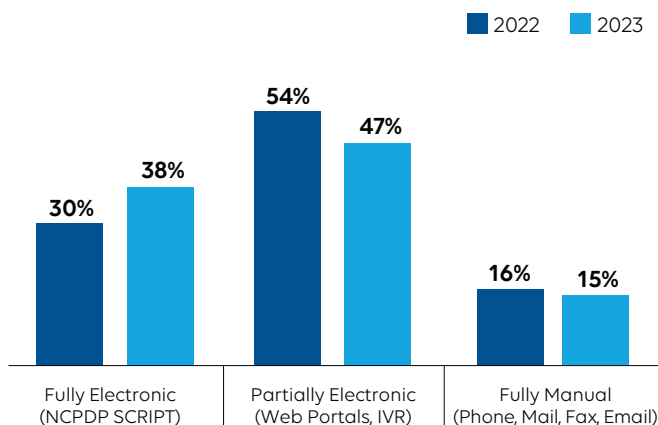
In 2013 the National Council for Prescription Drug Programs, (NCPDP) developed the SCRIPT standard to support electronic prior authorizations for prescription drugs.^{1,2} Providers using NCPDP SCRIPT can complete the prior authorization process directly through the electronic health record (EHR) or practice management software. This process increases efficiency, reduces errors, and automates redundant tasks, leading to a reduction in administrative burden and faster patient access to needed medications.

The CAQH Index tracks the adoption and cost of administrative transactions using fully electronic, partial (web portals), or manual (phone or fax) modes. The 2022 and 2023 CAQH Index surveyed medical providers about prescription drug prior authorization to identify adoption rates and cost savings when using NCPDP SCRIPT compared to manual or portal-based alternatives. For more details on the methods used to generate results, see the 2023 CAQH Index.³

Adoption of NCPDP SCRIPT

The 2023 CAQH Index found an increase in provider use of electronic prescription drug prior authorizations compared to the previous year. Although portal use remains the most common method for obtaining prior authorizations for prescriptions (47 percent), there was an eight percentage point increase in electronic usage. This modest increase indicates the industry's continued progress and commitment towards more automated workflows.

Adoption of Prescription Drug Prior Authorization

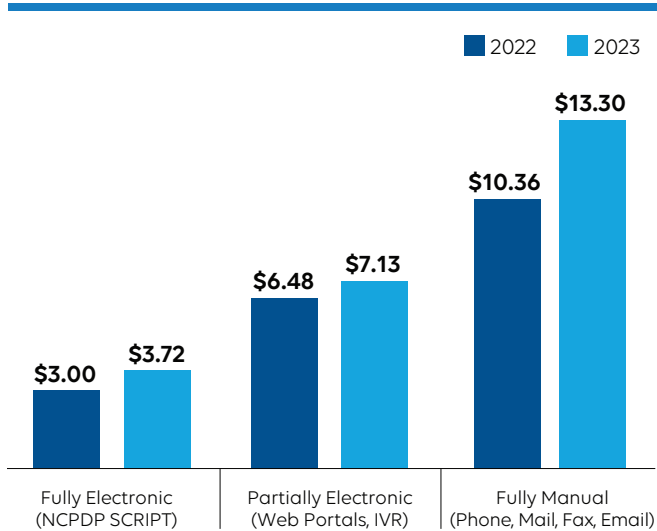


Greater adoption of the electronic standard can improve clinical decision-making by enabling plans and providers to better determine the efficacy of prescribed treatments through real-time data exchange. This may reduce prescription and treatment “abandonment” by patients, thereby improving overall health outcomes.

Cost per transaction

In 2023, the unit cost for prescription drug prior authorizations increased for all modes, with

Cost per Prescription Drug Prior Authorization by Mode



the largest increase for manual drug prior authorizations (approximately \$3.00). Similar to other transactions measured in the CAQH Index, the higher costs were driven by increases in time to conduct transactions.³ Providers took more time determining whether a prior authorization was granted for a specific prescription drug due to more complex benefits and in some cases inexperienced or new staff due to shortages.

Despite these increases, using NCPDP SCRIPT for drug prior authorizations remains a cost saving opportunity. By using the electronic standard, medical providers can save over **\$9.00 per prescription drug prior authorization** compared to using phone or fax, and **\$3.00 compared to using portals**.

Conclusion

While the use of NCPDP SCRIPT continues to increase and offers a cost savings opportunity for providers, several barriers to overall efficiency remain. The cost to implement new technological infrastructure, new security threats, and persistent staffing pressures present ongoing challenges.^{4,5} Stakeholders should collaborate to support electronic prior authorizations for drug prescriptions and focus on effectively using this transaction to improve efficiency and reduce provider burden.

- 1 Margaret Weiker, "HITAC Hearing: NCPDP – Prior Authorization," NCPDP 2019, https://www.healthit.gov/sites/default/files/facas/2019-03-20_Industry_Standards_Perspective_Medication_Workflow_%28NCPDP%20SCRIPT%29-_Margaret%20Weiker_508.pdf
- 2 NCPDP, "NCPDP SCRIPT Standard Supports Electronic Prior Authorization (ePA). Fact Sheet," https://www.ncpdp.org/NCPDP/media/pdf/NCPDP_ePA_Fact_sheet.doc.
- 3 "2023 CAQH Index", CAQH January 30, 2024, <https://www.caqh.org/insights/caqh-index-report>.
- 4 Amina Hareem et al, "Benefits and barriers associated with e-prescribing in community pharmacy – A systematic review," Explor Res Clin Soc Pharm, December 12, 2023, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC10746557/>.
- 5 Deborah Filipek, "Healthcare News of Note: Healthcare organizations continue to deal with turnover and workforce", HFMA, July 21, 2023, <https://www.hfma.org/leadership/healthcare-news-of-note-healthcare-organizations-continue-to-deal-with-turnover-and-workforce-shortages/>.