Navigating the Seas of Insurance

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Disclosures

- Paula Hensley previously worked as a full-time medical director administering behavioral health care for a health care organization with both a provider arm and an insurance arm.

Objectives

At the end of the presentation, attendees will be able to:

1. Access information about medical formularies and levels of care guidelines used by insurance companies

2. Identify key ways to document care to improve the chances for getting what you request for your patients

3. Understand the appeals process and steps to take when your requests are denied

A pharmacy PA case

- Mr. Ranier, 64 yo man with MDD and persistent DD
- Aripiprazole as augmenting agent led to TD
- Tongue and forehead/eyebrow movements
- Self-conscious, increasing social isolation
- What are your next steps?

Medicare and Medicaid are government programs with different eligibilities and coverage

Medicare

- 65 and over, some disabled persons, and those with ESRD
- Federal funding
- Penalties for late enrollment

Medicaid

- Low-income people, children, disabled
- Federal and state funding
- Requires periodic recertification

Medicare options are often confusing for patients

Part A: Hospital Insurance

Part B: Medical Insurance

Part D: Drug Coverage

Supplemental coverage

Part C: Medicare Advantage

Dual eligibility with Medicaid provides additional services not covered by Medicare

Additional benefits (examples)

- Transportation to appts
- Allowance for OTC items

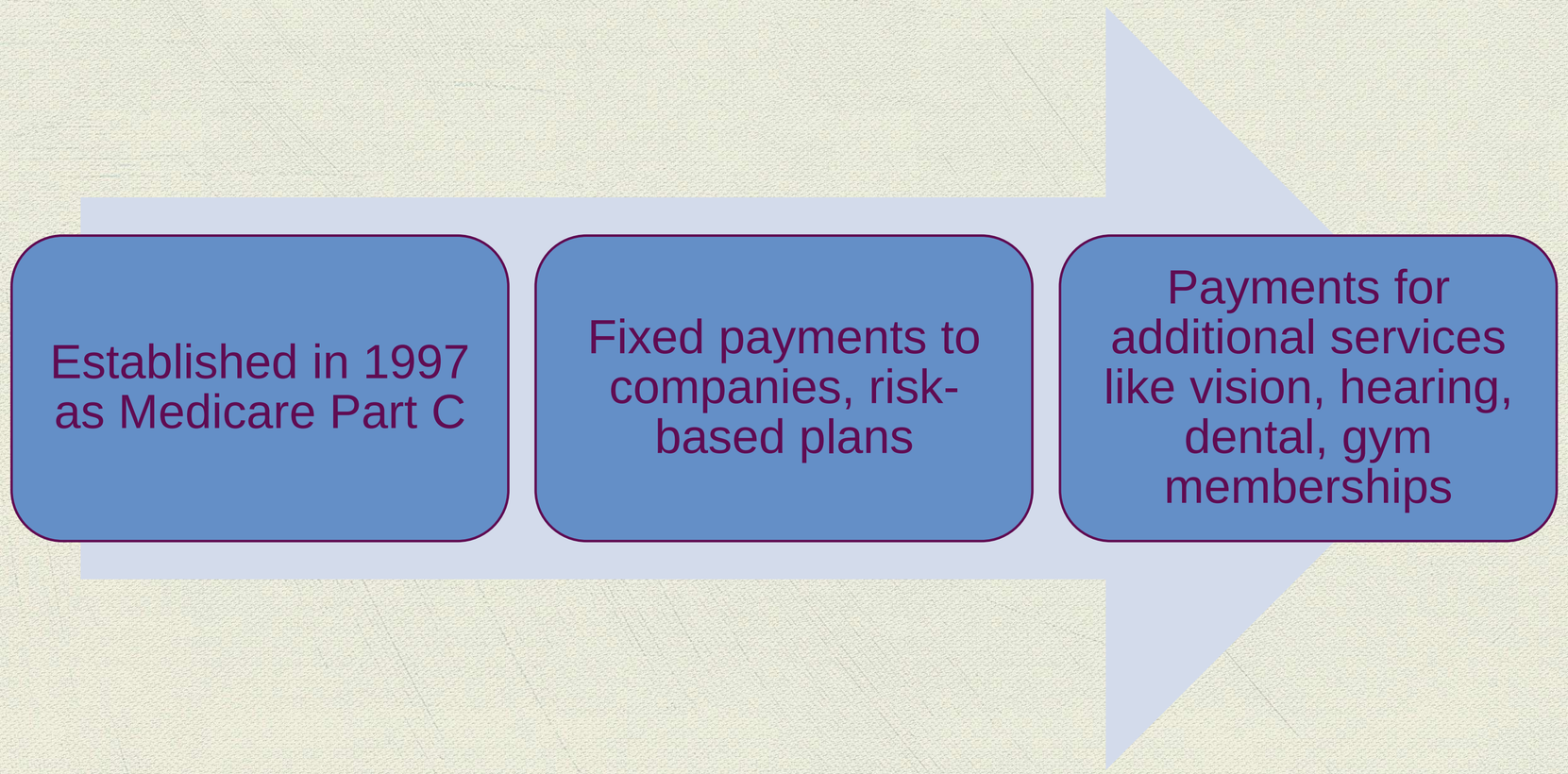
LTC services

- Personal care services
- Assisted living

Care coordination

- Usually employed by insurance companies
- May assist with access to care

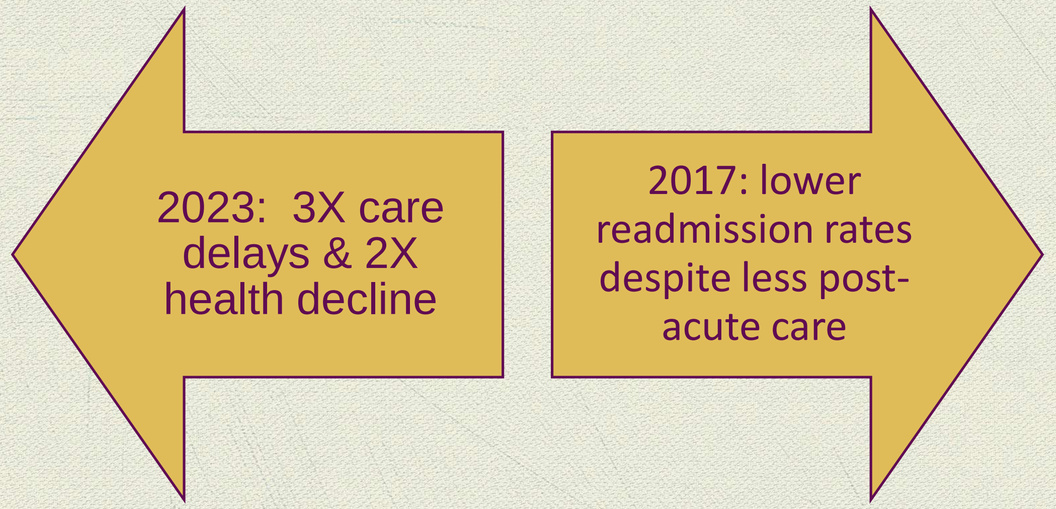
Medicare Advantage (MA) plans offer additional benefits and were supposed to reduce costs



Cahan E. Medicare Advantage has become notorious for prior authorization—CMS and lawmakers are taking action. JAMA, published online August 30, 2024, doi:10.1001/jama.2024.13383

Data is mixed on whether costs can be reduced without harming outcomes when care is denied

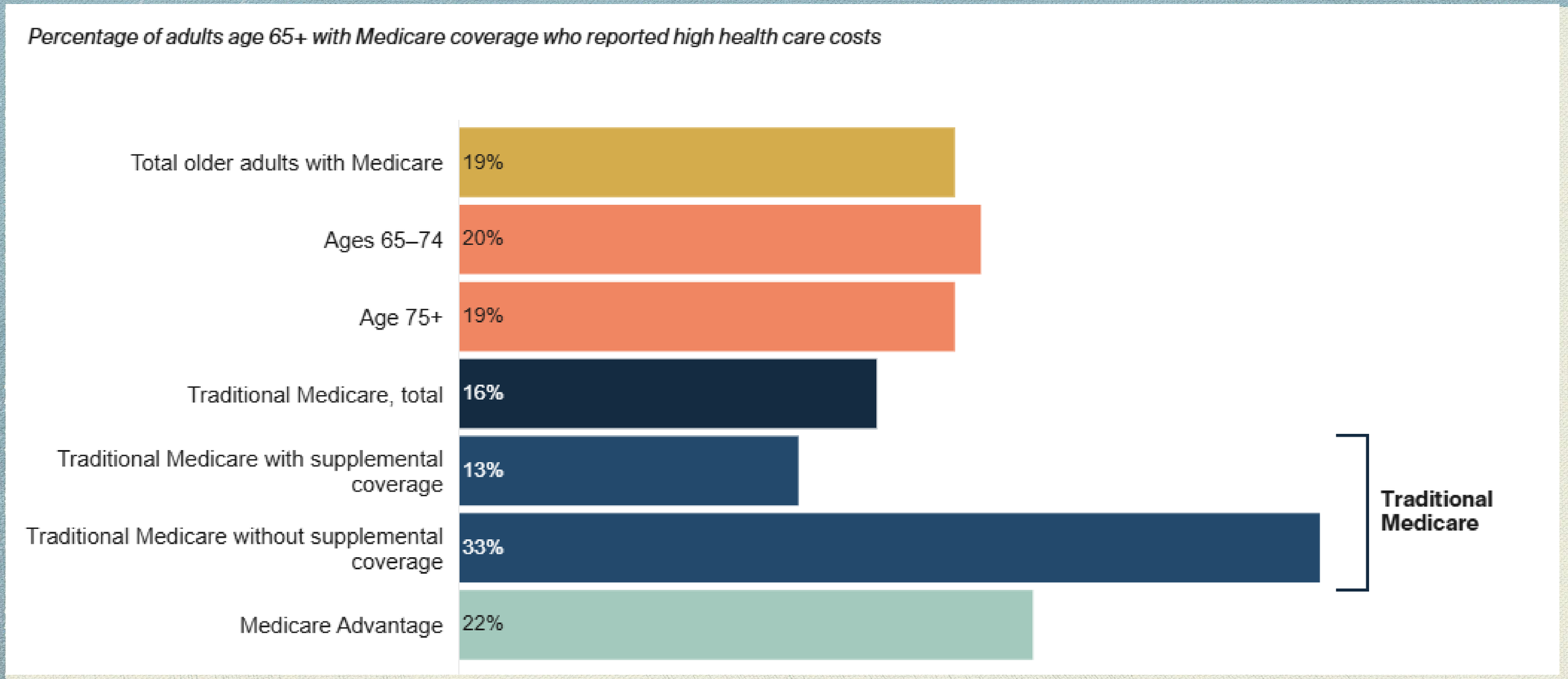
2023: Physician survey
25% serious adverse event
*13% life-threatening
*7% permanent disability, birth defect or death



2024: Readmission/mortality short-term unaffected with switch from MA to traditional Medicare

Cahan E. Medicare Advantage has become notorious for prior authorization—CMS and lawmakers are taking action. JAMA, published online August 30, 2024, doi:10.1001/jama.2024.13383

The rate of underinsurance with Medicare is about 20% overall



Leonard F, Jacobson G, Collins SR, Shah A, Haynes LA. Medicare's affordability problem: a look at the cost burdens faced by older enrollees—findings from the Commonwealth Fund Biennial Health Insurance Survey, 2022 (Commonwealth Fund, Sept. 2023). https://doi.org/10.26099/ptam-tw11

Delaying care or going without due to cost is common in the insured population

Half Of Medicaid Enrollees And Those With Marketplace Coverage Report Delaying Or Going Without Some Type Of Health Care Due To Cost In the Past Year

Percent who say they delayed or went without the following in the past 12 months because of the cost:

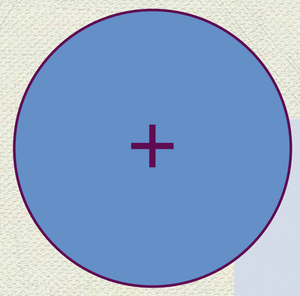
		Main insurance coverage			
	Total insured adults	ESI	Marketplace	Medicare	Medicaid
A visit to a doctor's office	14%	17%	18%	5%	10%
Prescription drugs	13%	12%	14%	11%	14%
Dental care	28%	25%	37%	26%	39%
Vision services, including eyeglasses	19%	17%	27%	14%	28%
Hearing services, including hearing aids	6%	5%	5%	10%	5%
Any of these types of care in the past year	41%	38%	50%	36%	51%

NOTE: See topline for full question wording.
SOURCE: KFF Survey of Consumer Experiences with Health Insurance (Feb. 21-Mar. 14, 2023) • PNG

KFF

Pollitz K, Pestaina K, Montero A, Lopes L et al. KFF survey of consumer experiences with health insurance. Published June 15, 2023, available at kff.org.

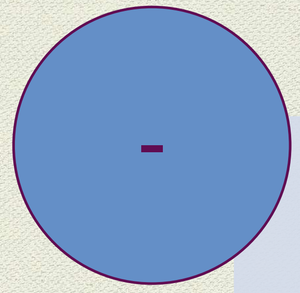
The pandemic brought about positive and negative changes for our patients



Greater access to virtual visits

Expansion of substance abuse services

Reduction or elimination of co-pays for mental health services



Greater isolation

Shortage of healthcare providers and drivers for transportation services

Inflation

Mr. Ranier's case of TD

- AIMS was normal at medication start
- 6 mos later, mild to moderate facial and tongue movements
- Aripiprazole was stopped (+TD and depression unchanged)
- AIMS 6 mos later remains the same
- Next steps?

“It’s impossible to figure out what’s on the formulary, so just write the prescription, and we’ll see if it goes through or needs a PA.”

–More than one outpatient pharmacist

Formularies may be very difficult to locate

- Most insurance companies have many different coverage plans
- The formularies should be readily accessible online, but finding them may be challenging
- Don’t rely on printed formularies since they may be out of date
- Care coordinators may be available to assist

Treatment for Mr. Ranier's TD

- He is worried about adding another medication, especially the cost
- No clear answers to availability and cost
- You e-prescribe and forewarn about likely PA
- PA generated from CoverMyMeds
- Questions details of antipsychotic use, AIMS score, and strategies so far (including use of tetrabenazine)—thoughts/concerns?

Successful medication PAs rely on data and knowledge of criteria

Accurate insurance info

- Formulary information for the plan
- Generics vs proprietary

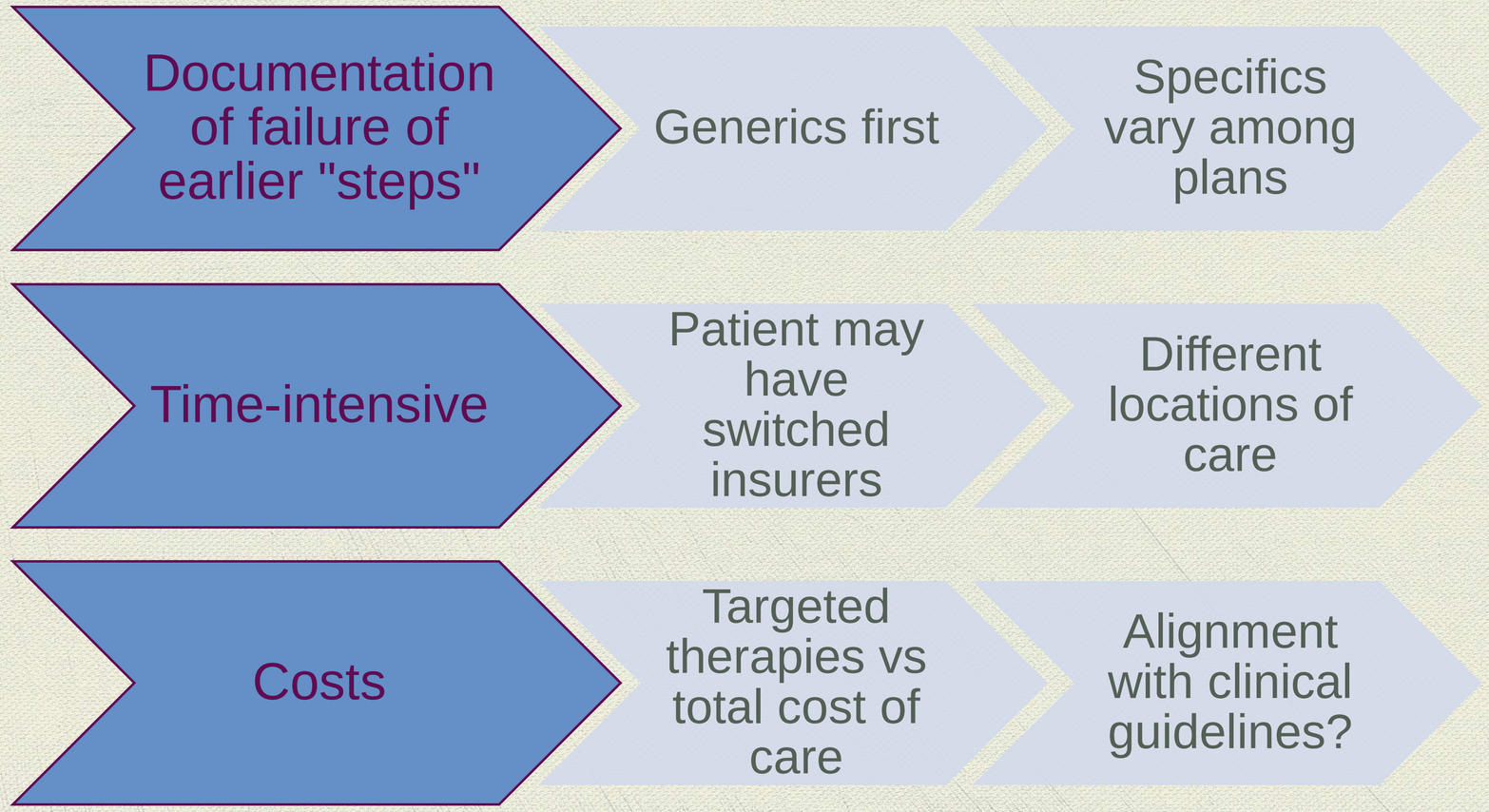
Patient specific data

- Thorough medication history
- Complete treatment history

Crafting a PA

- Know your audience
- Anticipate and address questions/objections

Step therapy is a utilization management strategy that uses tiered treatment pathways



Sachs RE, Kyle MA. Step therapy's balancing act—protecting patients while addressing high drug prices. N Engl J Med. 386;10:901-4, published March 10, 2022.

Additional considerations for medication PAs

- Off-label indications for medications usually not covered
- Check the medication label against your indication and age of patient
- Initial screening by a pharmacist is sometimes followed by a doc-to-doc conversation
- Plan ahead if a doc-to-doc is required
- Gather evidence from clinical guidelines and other supporting documents
- Care coordinators may have additional data from previous providers

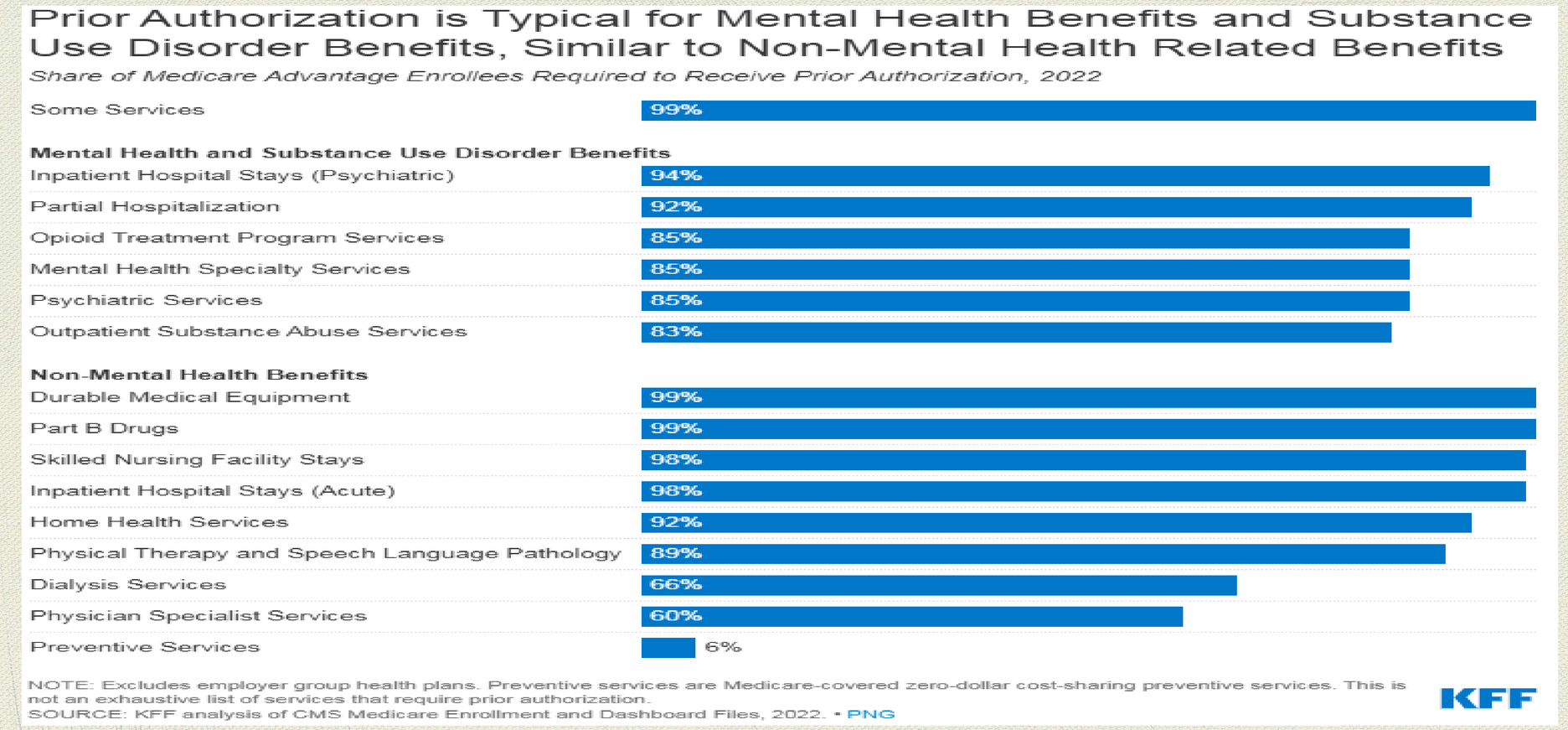
Tell a compelling story: Mr. Ranier's PA

- Mr. Ranier's plan requires he try tetrabenazine first
- Tetrabenazine is not FDA-approved for TD
- Deutetrabenazine and valbenazine have FDA indications for TD
- Internet search locates document from VA examining the 3 drugs
- Your PA argues that tetrabenazine is not an appropriate choice
- Anything you might have done differently?

The PA is approved

- You're somewhat surprised at approval
- Some hiccups with obtaining the medication
- Mr. Ranier eventually receives it, reports the co-pay is affordable, has no side effects, and movements have improved

Most MH, SUD, and non-MH benefits require PAs in Medicare Advantage plans



Freed M, Cubanski J, Neuman T. FAQs on mental health and substance use disorder coverage in Medicare. KFF, published January 18, 2023, available at kff.org.

Insurance companies use various level of care guidelines

- ASAM (American Society of Addiction Medicine)
- MCG Behavioral Health Care Guidelines
- Medicare has national coverage determinations (NCDs) and local coverage determinations (LCDs)
- Ask which criteria are being used to make level of care decisions

Another situation: ECT requests

- Suddenly, one MCO is requesting a doc-to-doc for every ECT PA
- Nothing else had changed
- When we asked what criteria were being used, we were told they were using TMS criteria
- What would you do at this point?

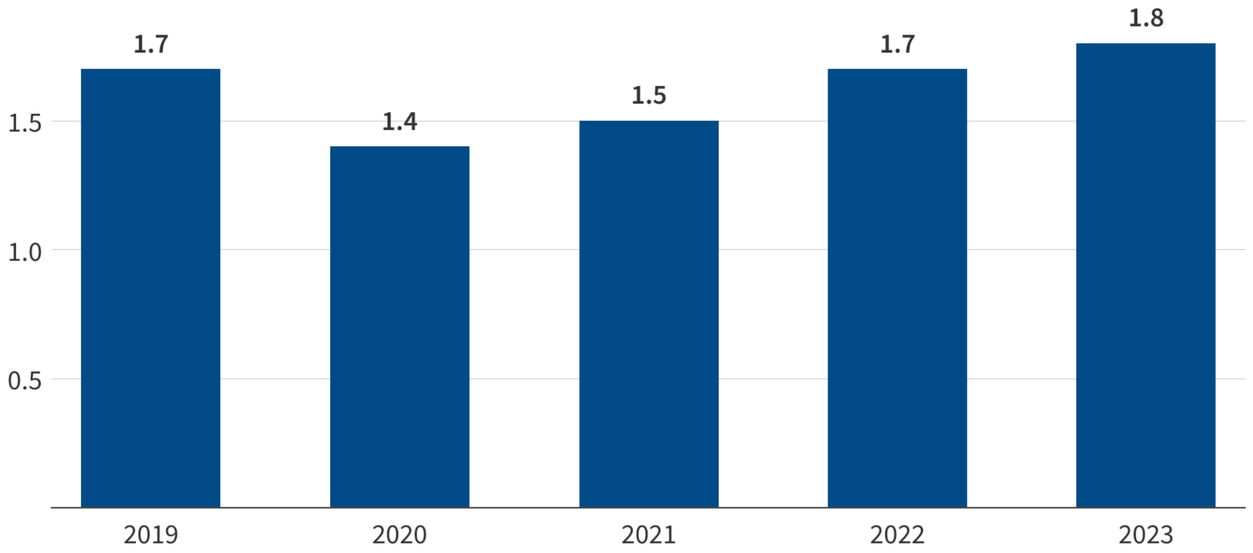
In spite of your best efforts, some PAs will be denied, what then? APPEAL!

Enrollees in Medicare Advantage average about two prior authorization determinations per year

Figure 2

Prior Authorization Determinations per Medicare Advantage Enrollee in 2022 and 2023 Were Similar to Pre-Pandemic Levels

Number of prior authorization requests per enrollee, 2019 - 2023



Source: Medicare Limited Data Set, Contract Years 2022 and 2023 Part C & D Reporting Requirements and Public Use File Contract Year 2019 - 2021 Part C & Part D Reporting Requirements

KFF

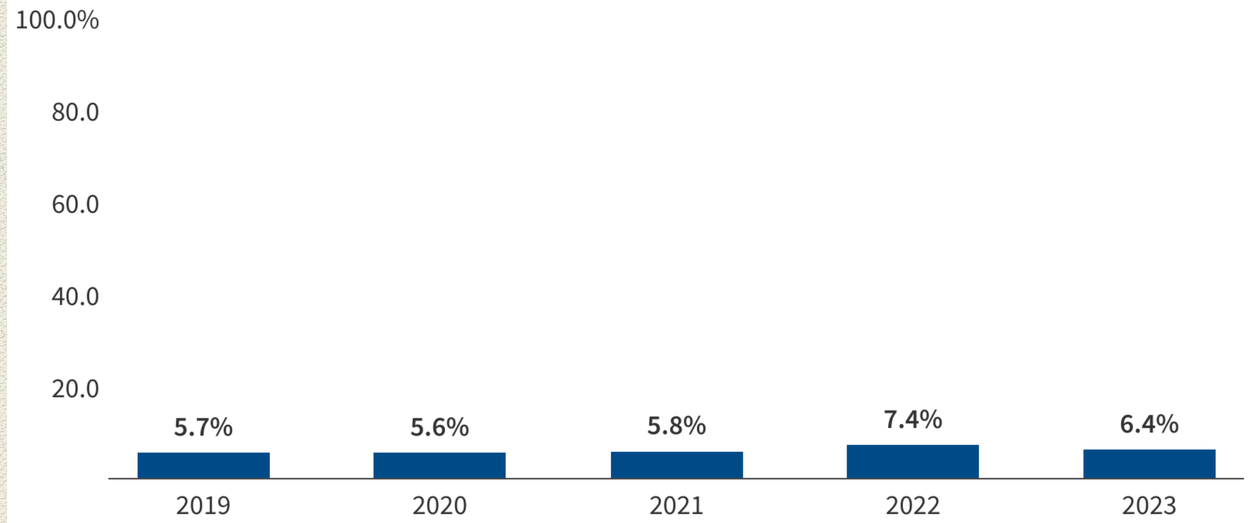
Biniek JF, Sroczynski N, Freed M, Neuman T. Medicare Advantage insurers made nearly 50 million prior authorization determinations in 2023, KFF, published January 28, 2025, available at kff.org.

The rate of prior authorization denials is low

Figure 3

Medicare Advantage Insurers Denied Fewer than 10% of Prior Authorization Requests in Recent Years

Adverse and partially favorable determinations as a share of all prior authorization determinations, 2019 - 2023



Source: Medicare Limited Data Set, Contract Years (CY) 2022 and 2023 Part C and D Reporting Requirements and Public Use file Contract Years 2019-2021 Part C and D Reporting Requirements

KFF

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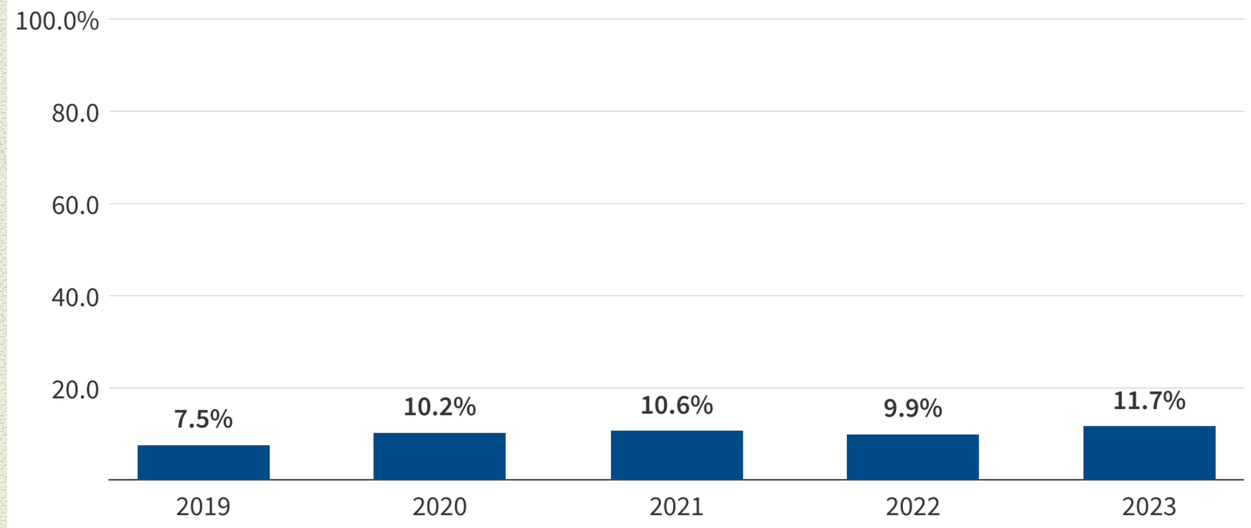
A minority of denials are appealed

Figure 4

A Slightly Larger Share of Denied Prior Authorization Requests Was Appealed to Medicare Advantage Insurers in 2023 Than in Recent Years

Share of adverse and partially favorable prior authorization determinations that was reconsidered, 2019 - 2023



Source: Medicare Limited Data Set, Contract Years 2022 and 2023 Part C and D Reporting Requirements; Public Use File, Contract Years 2019 - 2021 Part C and D Reporting Requirements

KFF

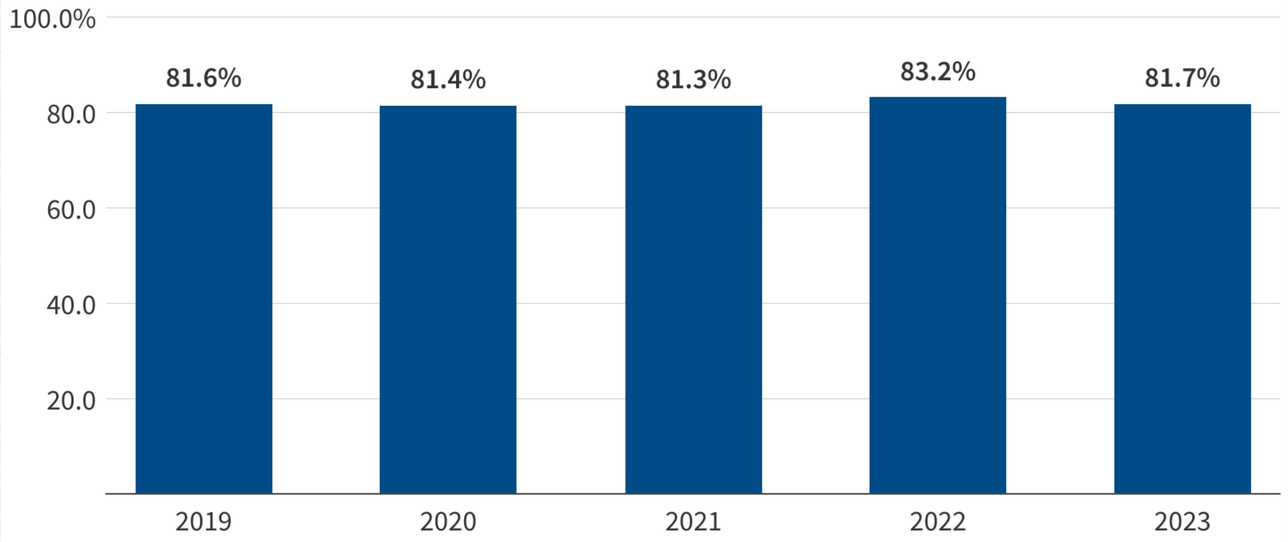
Biniek JF, Sroczynski N, Freed M, Neuman T. Medicare Advantage insurers made nearly 50 million prior authorization determinations in 2023, KFF, published January 28, 2025, available at kff.org.

When appealed, most denials are overturned

Figure 5

More Than 80% of Denied Prior Authorization Requests That Were Appealed Were Overturned

Share of reconsiderations that were fully or partially favorable, 2019 - 2023



Source: Medicare Limited Data Set, Contract Years 2022 and 2023 Part C and D Reporting Requirements; Public Use File, Part C and D Reporting Requirements Contract Years 2019-2021.

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Appeals

- Denial letters typically include instructions for appeals
- Be mindful of deadlines
- Patients may need to initiate the appeal
- However, patients may need help doing the appeal
- Encourage families to advocate for their loved ones

Conclusions

- Knowing the rules is half the battle
- Be thorough in your documentation and requests
- Call on care coordinators for assistance
- Appeal denials when practical