

Electronic Prior Authorization (ePA)

National Overview

Rising ePA Usage

Approximately 25% of prior authorization requests are now completed electronically, showing steady growth in ePA adoption.

Continued Manual Methods

Many providers still rely on phone and fax, especially for urgent or complex cases despite the rise of ePA.

Challenges to Adoption

Technological barriers, provider readiness, and payer variability slow the full transition to electronic prior authorization.

Efficiency Benefits

ePA is linked to faster approval times and improved efficiency, enhancing administrative processes and patient care.

Key Adoption Statistics - National Data

Electronic Prior Authorization Usage

About 25% of prior authorization requests are completed electronically, with only 21% fully electronic.

Efficiency of ePA Determinations

62% of ePA requests receive determinations within two hours, with 43% processed automatically without manual work.

Provider Adoption Rates

58% of providers use ePA for some submissions, showing gradual integration amid technological challenges.

Adoption Challenges

Full ePA adoption is limited by system compatibility issues and varied technological infrastructure.

Challenges & Barriers

Manual Processes Persist

Many providers still rely on phone, fax, or manual methods for urgent and complex requests.

EHR System Limitations

Only a minority of physicians report their EHR systems support electronic prior authorization for prescriptions.

Need for Interoperability

Improved interoperability and clearer guidelines are essential to enhance ePA adoption and effectiveness.

Importance of Provider Education

Enhanced provider education is needed to reduce manual submissions and improve ePA system usage.

Benefits of ePA

Reduced Turnaround Time

ePA drastically cuts approval time improving efficiency in healthcare processes.

Decrease in Appeals and Denials

Implementing ePA lowers appeals by 88% and denials due to missing information by 68%.

Automation and Data Integration

Automation and real-time data reduce errors and streamline prior authorization workflows.

Provider Readiness Importance

Success depends on provider adoption and availability of robust ePA technology platforms.

Supporting Data – Faster Response, Cost Savings, Fewer Errors

Faster Prior Authorization

Median time for prior authorization decisions dropped 69%, enhancing speed of care delivery significantly.

Cost Reduction Benefits

ePA adoption resulted in a 35% reduction in administrative costs through automation and efficiency gains.

Accuracy and Error Reduction

Automation in ePA reduces transcription errors and prevents incomplete submissions, improving accuracy.

Faster Response Times

An AHIP (America's Health Insurance Plans) study from 2021 analyzed data from six major carriers covering over 50 million Americans. It found that the median time between submitting a prior authorization request and receiving a decision decreased 69%, falling from 18.7 hours to 5.7 hours. Additionally, the same study found that 71% of experienced providers reported that patients received care faster after implementing EPA. Well functioning ePA can eliminate phone calls, faxes and manual (handwritten) completion. In some cases, the ePA software can populate directly from electronic medical records.

Decreased Appeals and Denials

Faxes and handwritten submissions can lead to missing and incomplete information or transcription errors. In BCBSND's ePA tool, however, a request cannot be submitted with missing or incomplete information. It will also deliver immediate approvals when possible, or inform the provider if PA is not needed.

Cost Savings and Transparency

- A study from HIMSS Analytics Research showed that ePA adoption resulted in a 35% decrease in administrative costs for providers. ePA automation reduces staff time and overhead costs for both providers and payors. For example, the tool that BCBSND provides on our online portal allows providers to input codes directly and receive an immediate response to proceed with a patient's course of treatment if prior authorization is not needed, saving those staff resources for direct patient interaction.
- Electronic systems provide clearer visibility into approval status, requirements and timelines for providers and patients, reducing uncertainty and frustration.

BCBSND Strategy and Data Insights

BCBSND Strategy & Impact

Investment in Electronic Platform

BCBSND invested approximately \$2 million in Availity's electronic prior authorization platform to streamline provider processes and speed response times.

Launch of PA Checkpoint Portal

In April 2024, BCBSND launched PA Checkpoint, a web portal to help providers check prior authorization requirements quickly.

Efficiencies

BCBSND reviewed and eliminated over 19,000 codes from prior authorization across commercial, Medicaid, and pharmacy lines.

Staffing Reductions & Reorganizations:

- 3 FTEs + 1 Contingent Worker

Commitment to Provider Experience

These initiatives highlight BCBSND's dedication to improving provider experience and patient outcomes via innovation and optimization.

BCBSND Data – Comparison of faxed prior authorizations versus electronic submissions 2024 v 2025 (through October)

		AVERAGE PER MONTH	INCREASE/DECREASE OF AVERAGE PER MONTH FROM 2024
2024 Fax	5020	418.3	
2025 Fax	2884	320.4	-97.9
	7904		
2024 ePA	7785	648.7	
2025 ePA	7388	820.9	172.2
	15173		

Significant shift in submission methods from 2024 to 2025. Fax usage decreased by 97.9%, while portal usage increased by 172.2%.

BCBSND Data – Response Time Comparison

January 2024 to December 2024	Availity	Manual Cycle Time		Fax	Manual Cycle Time
		4.37			5.45
January 2025 to October 2025	Availity	Manual Cycle Time		Fax	Manual Cycle Time
		1.29			1.60

An important note on 2024 data: We discovered in review that the 2024 data was skewed by a lack of response from providers. For example, if a provider submitted a prior authorization with incomplete information, rather than rejecting, the PA request remained open. So, the response times in the 2024 data are not solely those of BCBSND, but the combined response times of the carrier AND the provider. In one instance, a provider left the data incomplete for over 45 days.

PA Checkpoint Tool Impact

High Provider Engagement

The tool's high utilization rate shows strong provider trust and active engagement in the system.

Reduced Authorization Submissions

Unnecessary prior authorization submissions decreased from 40% to 16%, improving workflow efficiency.

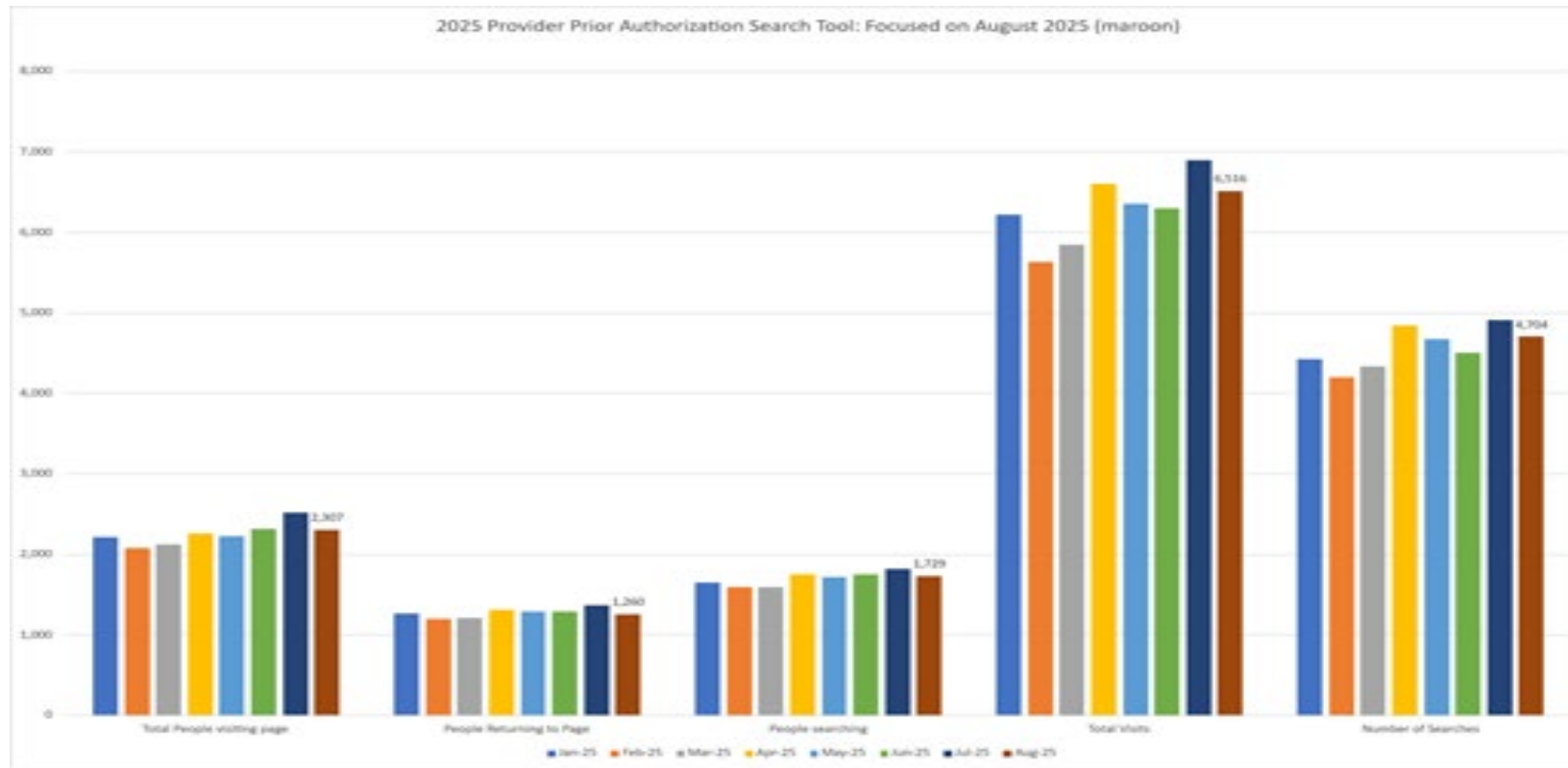
Streamlined Workflows

PA Checkpoint helps providers quickly determine authorization needs, minimizing administrative overhead.

Enhanced Provider Experience

User-friendly tools like PA Checkpoint improve provider satisfaction and promote electronic prior authorization adoption.

BCBSND Data – PA Checkpoint Use



PA Checkpoint also reduced unnecessary submission of prior authorization requests from 40% to 16%

State-by-State Legislation

Legislation on ePA Standards

At least 17 states have enacted laws mandating standardized electronic prior authorization submissions to improve healthcare processes.

2025 ePA Legislative Activity

In 2025, 11 states introduced 16 bills and 6 states enacted 7 new laws focused on electronic prior authorization.

(Alaska, Indiana, Montana, New Mexico, Virginia (2), Washington)

CMS AI Pilot Program

Starting in January 2026, CMS will test AI to improve efficiency and accuracy of Medicare coverage determinations in six states.

(Arizona, New Jersey, Ohio, Oklahoma, Texas and Washington)

Federal: CMS Final Rule & Interoperability

Purpose of the Rule

The CMS Final Rule, released on January 17, 2024 enhances efficiency and transparency in electronic healthcare data exchange and prior authorization.

Scope and Applicability

The rule applies to Medicare Advantage, Medicaid, state's Children's Health Insurance Program (CHIP) and Qualified Health Plan issuers on federally facilitated marketplaces but excludes drugs.

Includes Provider and Payor requirements.

Interoperability and Standards

Emphasizing interoperability and CMS standards reduces administrative complexity across healthcare entities.

Future Impact

The rule sets the foundation for nationwide adoption and integration of electronic prior authorization systems.

Conclusion and Recommendations

Conclusion & Recommendations

Benefits of ePA

Electronic Prior Authorization reduces delays, improves transparency, and enhances patient outcomes through automation.

Addressing Care Gaps

ePA prevents medication abandonment and care gaps by providing real-time information and fostering provider-carrier collaboration.

Legislation Alignment

Proposed legislation should align with CMS Final Rule and interoperability standards to reduce administrative complexity.

Future Investment Importance

Continued investment in ePA technology and provider support is essential to fully realize its benefits in healthcare.