New CMS Rules Advancing Interoperability

Alex Baker | February 27, 2023

The Centers for Medicare & Medicaid Services (CMS) proposed two important new rules in December 2022 which will advance electronic health information exchange and streamline cumbersome health care processes by establishing standardized requirements across the industry. These rules reflect the deep collaboration between CMS and ONC to ensure that providers and payers adopt common, open-industry standards to advance interoperability and industry innovation.

New Initiatives for Exchange between Payers and Providers

CMS's [Advancing Interoperability and Improving Prior Authorization Processes](#) proposed rule, published on December 13th, builds on its [2020 Patient Access and Interoperability rule](#) with new requirements for health care payers regulated by CMS (such as Medicare Advantage plans, Medicaid, Children's Health Insurance Plans, and Qualified Health Plans on the Federally-facilitated Exchanges). Under the proposed rule, these payers would be required to:

- establish application programming interfaces (APIs) to share information with health care providers about their patients covered under the plan;
- share information with other payers when patients change plans;
- enable providers to easily obtain coverage requirements for items and services that require prior authorization; and
- submit information needed to request the authorization.

CMS proposes to require payers to use the Health Level Seven (HL7®) Fast Healthcare Interoperability Resources® (FHIR) standard for these APIs, as well as other interoperability specifications that ONC has previously adopted on behalf of HHS and are already referenced as part of ONC's Health IT Certification Program and CMS' [Patient Access and Interoperability final rule](#). The set of data that CMS would require payers to make available through these APIs also builds on the data and associated standards identified in ONC's [United States Core Data for Interoperability](#) (USCDI). These are important steps to advance an API ecosystem based on open-industry standards across the health care value chain.

CMS's proposed rule includes additional proposals to create incentives for clinicians and hospitals to engage in electronic prior authorization using certified health IT through new measures in the Promoting Interoperability programs. As noted in the proposed rule, CMS and ONC are collaborating closely on how certified health IT can support prior authorization activities to lower administrative costs on providers and payers and ensure that patients get the care they need when they need it. In early 2022, ONC released a [Request for Information](#) on this topic and may explore this issue in future rulemaking.

Alignment around Standards for Electronic Prescribing

On December 27th, CMS published a [proposed rule](#) including technical changes for the Medicare Advantage and Medicare Part D Prescription Drug programs. The rule includes critical updates to the standards used to exchange information among prescribers, dispensers, intermediaries, and Medicare prescription drug plans.

CMS and ONC have taken a small but important step in this rule to reduce regulatory burden and ensure consistency across Federal programs. Historically, our agencies have adopted the same pharmacy standards but in separate rules, an approach that makes it hard for industry to track and which can lead to regulatory misalignment if different agencies update their standards on different schedules.

To address this issue, CMS and ONC collaborated on a new approach to standards adoption in the proposed rule. Instead of adopting standards independently, ONC proposed to adopt a new version of the [National Council for Prescription Drug Plans](#) (NCPDP) standard for e-prescribing in ONC's regulations, which CMS has cross-referenced in proposed updates to standards requirements for the Part D program. In the same rule, ONC proposed to adopt, and CMS proposed to cross-reference, another NCPDP standard that supports Part D requirements for plans to establish real-time benefit tools that can help patients better understand their pharmacy coverage when working with their clinician to identify the right prescription. While these may seem like minor changes, better alignment across HHS regulations can lead to significant reductions in regulatory burden for prescribers, plans, and health IT developers. While ONC did not propose any changes related to electronic prescribing and real-time benefit capabilities under the ONC Health IT Certification Program in this proposed rule, ONC will seek to align with these standards under any future proposals.

We believe the use of common health IT standards across Federal agencies reflected in these rules advances HHS-wide goals for enhanced interoperability to drive innovation and achieve better outcomes.