

## April 4, 2019: Advocacy spotlight on Physicians score a win in bid to fix prior authorization

### Physicians score a win in bid to fix prior authorization

Kentucky patients—particularly those with chronic conditions on an established medication regimen—should have speedier access to treatment as a result of a new law reforming health insurance company prior authorization (PA) processes. And their physicians next year are expected to have a major administrative burden reduction.

Gov. Matt Bevin signed the measure—Senate Bill 54—into law March 26 after it was approved by the Kentucky House of Representatives and Senate by votes of 97–1 and 37–0.

"The AMA was honored to support the Kentucky Medical Association (KMA) in their push for a better and more streamlined prior authorization process, and we congratulate KMA and all Kentuckians who will benefit from the important changes that SB 54 will bring," said AMA Board of Trustees Chair Jack Resneck, Jr., MD.

"State legislation is a critical component of the AMA's multipronged prior authorization campaign, especially as it is clear most health insurers simply aren't going to make changes to the prior authorization process on their own," Dr. Resneck added. "Kentucky certainly can serve as an example for other states who want to protect patients from harmful and unnecessary delays in care."

The AMA offers prior authorization resources to support reform, improve practice efficiency and provide data to highlight the need for change. To learn more and share your story, visit AMA's [FixPriorAuth.org](http://FixPriorAuth.org) website or search social media by using the #FixPriorAuth hashtag.

The Kentucky bill was championed by state Sen. Ralph Alvarado, MD. An AMA and KMA member, Dr. Alvarado chairs the Kentucky Senate Health and Welfare Committee and is very familiar with prior authorization. He succinctly spelled out the problems with the process when addressing the Kentucky House Banking and Insurance Committee at a Feb. 27 hearing.

"They're touted as cost-containment mechanisms, but—in reality—they often will increase costs to patients, providers and even the insurers themselves," Dr. Alvarado said in his testimony. "With

increasing regularity, health plans and MCOs [managed care organizations] require unnecessary prior authorizations, which delay patient care, disrupt the patient-provider relationship and decision-making process."

Insurers also "demand a manual, time-consuming process that expends resources that could be spent on clinical care, and escalates overhead costs for practices including hospital and pharmacies, many of which are already financially stressed," Dr. Alvarado said.

The new law takes effect Jan. 1, 2020. Under the measure:

- Physicians will receive responses on PA requests within 24 hours for urgent services and within five days for nonurgent services
- Prescriptions for chronic-condition maintenance drugs will be valid for one year, and any change in dosage during this period will be covered
- Insurers' PA procedures will be posted online as well as a complete list of services requiring PA
- Insurer PA reviewers will be licensed physicians and, when possible, of the same specialty as the requesting physician
- Physicians and other clinicians will be able to electronically request and transmit PAs

"These will be dramatic changes," said KMA President Bruce Scott, MD. "We are going to remain vigilant that the law is implemented as intended and health plans comply."

Patients should immediately notice speedier access to treatment and the one-year authorization for maintenance drugs, he said. Physician practices will notice that requests get processed sooner, without long times waiting on hold or sending and resending faxes.

The law, largely based on AMA model legislation, mandates that health plans adopt electronic PA processes. It specifically mentions that "facsimile, proprietary payer portals and electronic forms shall not be considered electronic transmission."

"My staff is going to love it," said Dr. Scott, a Louisville, Kentucky, otolaryngologist and facial plastic surgeon who is president of Kentuckiana Ear Nose & Throat in Louisville, Kentucky. He is also vice speaker of the AMA House of Delegates.

Despite the law's overwhelming support in the legislature, passage was not without difficulty as the insurance lobby pushed back when reforms were introduced last year.

Dr. Scott credits passage to the work of Cory Meadows, KMA's deputy executive vice president and advocacy director, who presented legislators with the right mix of patient stories and relevant statistics.

The AMA's prior authorization survey was an important component of the KMA advocacy effort. He said lawmakers took notice that 75 percent of the 1,000 physicians surveyed reported that PA led patients to abandon treatment and 28 percent said it has led to an adverse event such death, hospitalization, disability or even death.

When health plans at a hearing pushed to lengthen the period for nonurgent PAs to seven days, Dr. Scott said the mother of a young woman with epilepsy told legislators that waiting seven days for a prescription could cause her daughter to have seizures.

"That was the end of the health plan argument," Dr. Scott said.

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