

Physicians to HHS: Here's how to improve prior authorization

SEP 11, 2020

Andis Robeznieks

Senior News Writer

The AMA voiced its support for proposed federal operating rules regarding automating prior authorization processes for medical services and cited anticipated benefits such as fewer delays in patient care as the reason.

Prior authorization (PA) is a health plan utilization management or cost-control process that requires physicians to obtain approval before a prescribed treatment, test or medical service qualifies for payment.

The AMA has been advocating for PA reform at every opportunity and every venue and supporting legislative efforts to do so at the federal and state levels.

So, when the National Committee on Vital and Health Statistics (NCVHS)—a federal advisory body charged with making recommendations pertaining to electronic health care transaction standards and administrative simplification to the U.S. Department of Health and Human Services (HHS)—recently held a hearing on PA rules proposed by the Council for Affordable Quality Healthcare's (CAQH) Committee on Operating Rules for Information Exchange (CORE), the AMA was there.

The AMA has provided extensive testimony to NCVHS over the years to represent physicians' interests in the adoption of electronic standards that support practice automation. The benefits of administrative simplification will only be fully realized if NCVHS adopts standards and operating rules that meet the needs of all stakeholders, rather than just the interests of health plans.

Need to minimize care delays

The AMA's written testimony expresses support for the proposals, particularly one calling for required maximum response times, which the AMA described as "a critically important step to move the industry forward in improving the onerous PA process."

The testimony highlights the results of an AMA survey of 1,000 practicing physicians, which found that:

- | 91% of physicians reported that PA delays access to necessary care.
- | 24% of physicians indicate that PA has led to a serious adverse event for a patient in their care.
- | Practices report completing 33 PAs per week.
- | The workload takes almost two business days' worth of physician and staff time.

“These data clearly show that the PA process must be improved, both so that patients can receive the treatment they need in a timely fashion and to avoid substantial administrative waste in our health care system,” says the AMA’s written testimony.

The proposed “infrastructure rule” calls on health plans to respond to electronic real-time PA requests within 20 seconds and to indicate what additional documentation is needed. In addition, the rule requires plans to send an electronic final PA determination within two business days of receiving all necessary information.

This will increase the transparency of PA programs and minimize physician and staff time spent searching for health plan documentation requirements. The provision regarding final PA decisions will also ensure a fully electronic process, rather than diversion to more manual methods such as fax and phone, as is frequently the case today.

“We believe that this will push the industry to build an end-to-end automated PA process,” the testimony stated.

While the two-business-day provision is an improvement over some state and federal requirements that allow 14 to 15 days, the AMA also noted that this should be considered a floor, as a 48-hour requirement is preferred—especially if a holiday weekend is involved. There also needs to be a specific, more rigorous requirement for urgent requests.

“Health care is a 24/7 industry, and health plans should sufficiently staff and resource their PA programs to meet our 48-hour processing time policy,” the AMA stated, particularly as two business days could translate into nearly a calendar week over a holiday weekend.

Cut the volume of PA requests

The AMA also stressed the need to address the steady rise in the number of medical services and prescription drugs requiring PA.

“The AMA maintains that health plans must reduce the overall volume of PA requirements for the industry to achieve real progress on this issue; automation alone is not a full solution to the PA problem,” the testimony stated. “Even the most streamlined, widely deployed electronic PA process cannot protect patients from clinical harm or physicians from administrative burdens if health plans do not apply utilization management requirements more judiciously and rationally.”

Another HHS advisory panel, the Workgroup for Electronic Data Interchange (WEDI) submitted its own survey data to NCVHS that mirrors the results of the AMA physician survey. In the WEDI survey of providers, vendors, and health plans, 84% of provider respondents said the number of medical services requiring PA has increased.

CAQH CORE board members also made their case for their recommendations in a letter to NCVHS chair William W. Stead, MD, noting that the health care industry could save \$12.31 per PA transaction by moving to an electronic process. The AMA has a physician representative, Marilyn Heine, MD, on the CAQH CORE board.

The AMA offers prior-authorization resources to support reform, improve practice efficiency and provide data to highlight the need for change. Learn more at the AMA's website [FixPriorAuth.org](https://www.ama-assn.org/practice-management/sustainability/physicians-hhs-here-s-how-improve-prior-authorization).