

Now it's up to Congress to act on prior authorization reform

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The AMA and other national health care professional organizations reached consensus more than three years ago with health insurance industry representatives on how to reform the prior authorization (PA) process, but little progress has been made. A recent physician survey confirms that PA burdens continue unabated—suggesting that a legislative remedy is needed to protect patients from those who obstruct their timely access to care.

Prior authorization 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. It has morphed into a costly, inefficient mechanism that requires many practices to hire extra staff and causes so many delays that it often leads to patients abandoning treatment.

The 1,000 practicing physicians surveyed in December saw little relief from administrative burdens, as 83% of respondents reported that prior authorizations for prescription medications and medical services have risen over the past five years.

These issues persist despite a consensus statement that was agreed to in 2018 on needed reforms. In that agreement, the AMA, American Hospital Association, America's Health Insurance Plans, American Pharmacists Association, Blue Cross Blue Shield Association and the Medical Group Management Association concurred that reforms were needed to reduce PA burdens and enhance patient-centered care.

“You would think insurers would ease bureaucratic demands throughout a pandemic to ensure patients' access to timely, medically necessary care,” said AMA President Susan R. Bailey, MD. “Sadly, you would be wrong.”

Learn how, as COVID-19 peaked, prior authorization's harmful burdens continued.

Insurers ignoring their agreement

The consensus statement encourages greater transparency in PA requirements, criteria and rationale and improved communication of PA program changes by payers to contracted physicians and patients/enrollees. However, 68% of surveyed physicians said it is difficult to determine whether a prescription medication requires PA, with 58% reporting the same problem with medical services.

The agreement recommends continuity protections for patients undergoing an active course of treatment when there is a formulary or treatment-coverage change that could disrupt their course of treatment. Yet 87% of physicians surveyed said PA interferes with continuity of care.

The agreement encourages selective application of PA, which would exempt physicians with consistent adherence to evidence-based medicine guidelines or high authorization approval rates from PA requirements. However, only 11% of surveyed physicians reported contracting with health plans that offer programs that waive PA.

The parties also agreed to accelerate the use of electronic PA, but physicians surveyed said that the telephone and fax machine remain the most commonly used methods for completing prior authorizations.

Congressional action needed

Given the insurance industry's lack of progress in voluntarily reducing the burdens of PA agreed to in the consensus statement, the AMA is calling on Congress to pass legislation that would codify much of the agreement.

The AMA supports the bipartisan "Improving Seniors' Timely Access to Care Act" that was reintroduced by Reps. Suzan DelBene, D-Wash; Mike Kelly, R-Pa.; Ami Bera, MD, D-Calif.; and Larry Bucshon, MD, R-Ind. The measure would improve access to care by streamlining and standardizing the way Medicare Advantage plans use PA and increasing oversight and transparency around these programs.

"The AMA believes that PA is overused, costly, inefficient, opaque and responsible for patient care delays," AMA Executive Vice President and CEO James L. Madara, MD wrote in a letter to the bill's lead sponsors. "This legislation would advance many of the goals of the consensus statement, and the AMA believes it would help decrease the burden associated with the current overuse of PA in our health care system."

There were 24.1 million people enrolled in Medicare Advantage plans in 2020, with 99% participating in a plan requiring PA for one or more service, according to a Kaiser Family Foundation issue brief. That's up from 79% in 2019.

“There is no room in the patient-physician relationship for insurance-industry barriers,” Dr. Bailey said. “The AMA is dedicated to simplifying and right-sizing prior authorization so physicians can properly provide care and patients can receive the timely treatment they deserve. This legislation is a win-win for patients and physicians.”