In 2018, payers agreed to rein in prior auth. The clock is ticking.

JUN 10, 2022

Andis Robeznieks
Senior News Writer

What’s the news: The findings of an AMA physician survey (PDF) show that health insurance companies are not following through with agreed upon prior-authorization reforms and—because of that failure—are perpetuating delays in diagnosis and treatment that lead to patient harm.

Payers also are relentlessly adding to physicians’ administrative burdens by making the prior-authorization process increasingly onerous, forcing many practices to hire more staff dedicated solely to handling prior authorization, according to previously released results of the same AMA survey of more than 1,000 practicing physicians conducted in December. Prior authorization is a health plan utilization-management or cost-control process that requires physicians to get approval before a prescribed treatment, test or medical service qualifies for payment.

Fixing prior authorization is a core element of the AMA Recovery Plan for America’s Physicians. You took care of the nation. It’s time for the nation to take care of you. It’s time to rebuild. And the AMA is ready.

Prior authorization is overused, and existing processes present significant administrative and clinical concerns. Find out how the AMA is tackling prior authorization with research, practice resources and reform resources.

The AMA and other national organizations representing pharmacists, medical groups, hospitals and health insurers signed a consensus statement (PDF) in 2018 outlining a shared commitment to five key reforms for the prior-authorization process. But since then, insurers have done little to address hazardous obstacles to patient-centered care.

Taken together, the five reforms would promote safe, timely and affordable access to evidence-based care for patients, enhance efficiency and cut administrative burdens.

Copyright 1995 - 2021 American Medical Association. All rights reserved.
“Waiting on a health plan to authorize necessary medical treatment is too often a hazard to patient health,” said AMA Immediate Past President Gerald E. Harmon, MD, a family physician in South Carolina.

Read Dr. Harmon’s AMA Leadership Viewpoints column about his family’s personal experience, “I’m used to my patients’ prior auth hassles. Then came Mom’s.”

**Why it’s important:** In previously released results of the survey, it was shown that more than one-third (34%) of physicians reported that prior authorization led to a serious adverse event.

“Authorization controls that do not prioritize patient access to timely, optimal care can lead to serious adverse consequences for waiting patients, such as a hospitalization, disability or death,” said Dr. Harmon.

The latest survey findings document how little interest insurance companies have shown in implementing the agreed-upon reforms.

Payers agreed to:

**Selectively apply prior authorization to physicians based on demonstrated adherence to evidence-based guidelines and quality measures.** Only 9% of physicians reported contracting with a health plan that does this.

**Stop requiring prior authorization for items that show low variation in use or low prior authorization denial rates.** But 84% of physicians said that the number of medications requiring prior authorization has gone up over the last five years. An equal share said the number of medical services requiring prior authorization has grown.

**Encourage transparency for prior-authorization requirements, criteria, rationale and program changes.** But 65% of physicians said it is difficult to determine whether a drug requires prior authorization, and 62% reported the same regarding medical services.

**Minimize disruptions in treatment and repetitive prior-authorization requirements.** But 88% of physicians reported that prior authorization interferes with continuity of care.

**Help accelerate adoption of national electronic transaction standards for prior authorization.** Yet only 26% of physicians reported using an EHR that offers electronic prior authorization for prescriptions.

“Comprehensive reform is needed now to stem the heavy toll that continues to mount without effective action,” Dr. Harmon said.


Copyright 1995 - 2021 American Medical Association. All rights reserved.
Given health insurance companies' lack of progress to voluntarily implement agreed-upon reforms, the AMA and other physician organizations support passage of the “Improving Seniors' Timely Access to Care Act” (H.R. 3173; S. 3018). The legislation takes direct aim at the insurance industry’s foot-dragging and would codify much of the consensus statement and apply it to Medicare Advantage plans.

There were 26 million people enrolled in Medicare Advantage plans last year, with 99% participating in a plan requiring prior authorization for one or more services, according to a Kaiser Family Foundation issue brief. That’s up from 79% in 2019.

Learn more: To further support prior authorization reform, the AMA also invites the public to get involved. Patients can share their own personal experiences with prior authorization and add their voices to legislative reform efforts by signing a petition and messaging Congress at FixPriorAuth.org.