

Prior authorization: What private practice physicians must know

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Physicians in private practice are all too familiar with the senseless harm that comes to patients and hassles that their offices are forced to deal with thanks to insurance companies' prior-authorization protocols.

In an episode of the "AMA Thriving in Private Practice" podcast, two experts on the topic walked through the numbers from a physician survey about prior authorization. They also discussed recent changes at the state level, including the "gold carding" process in Texas, and outlined proposed reforms at the federal level and addressed what the AMA is doing to help ease the prior authorization burden for patients and physicians.

AMA THRIVING IN PRIVATE PRACTICE



Thriving in Private Practice

What private practice physicians need to know about prior authorization

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“The AMA is very much aware of how harmful prior authorization is to both physician practices and to patients,” Heather McComas, director of the AMA’s administrative simplification initiative team, said during the podcast. “We know how physicians really internalize the suffering they see from their patients not getting the care they need in a timely fashion. We are working very hard on this issue on a variety of fronts.”

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.

It takes astute clinical judgment as well as a commitment to collaboration and solving challenging problems to succeed in independent settings that are often fluid, and the AMA offers the resources and support physicians need to both start and sustain success in private practice.

Find out more about the AMA Private Practice Physicians Section, which seeks to preserve the freedom, independence and integrity of private practice.

Crunching the numbers

The 2021 AMA prior-authorization survey found that delays translate to more than making patients wait or simply inconveniencing them, McComas said. “It actually has negative impacts on their health,” she said.

Among other things, the AMA survey found that among physicians surveyed:

- 91% reported that prior authorization can lead to negative clinical outcomes.
- 82% said prior authorization can lead to patients abandoning their course of treatment.
- 34% said prior authorization has led to a serious adverse event for a patient in their care.

On top of that, physicians reported that they completed an average of 41 prior authorizations per physician per week. This weekly workload for a single doctor consumed nearly two business days of physician and staff time.

“We’re adding a lot of administrative costs to our health care system just to do paperwork,” McComas said.

Find out more about why prior authorization is bad for patients and bad for business.

Striving for change

In 2017, the AMA was part of a 17-member coalition that drafted 21 commonsense principles (PDF) to reform the prior-authorization process. Since then, more than 100 organizations have signed on to the principles that address five broad categories:

- Clinical validity.
- Continuity of care.
- Transparency and fairness.
- Timely access and administrative efficiency.
- Alternatives and exemptions.

“The document really is the basis and crux of all our advocacy on this issue. If we’re evaluating a piece of rule-making or federal legislation or any other document about prior authorization and utilization management, we turn back to the principles and see what does this document say? Because this is really essentially our Bible and our North Star for what we’re advocating for in this space,” McComas said.

Learn about the AMA’s model state legislation to ensure prior-authorization transparency (PDF).

State reforms and the “gold card”

The AMA has long supported a reduction in the overall volume of prior-authorization requirements, and one way of accomplishing that is a “gold card” that a health plan gives to a physician who has shown over a period of time that they rarely have an item or service they are suggesting for patients denied.

“The thought is that the ability of a physician to effectively test out of prior authorization could be an enormous administrative relief for doctors and their practices, especially if it's for care that they frequently provide and thus have to frequently get prior authorizations for,” Emily Carroll said during the podcast. She is a senior legislative attorney in the AMA Advocacy Resource Center who works on state prior-authorization reforms.

“There's a lot of eyes watching Texas and seeing how this law is going to be implemented and what we can do to copy potential successes,” Carroll said.

Missouri, Kansas, Colorado and Indiana are among the states that considered gold-card proposals in their legislatures this year. Washington D.C., Pennsylvania, New Jersey, Georgia and other states have considered other prior-authorization reforms, as well, Carroll said.

Read more about how the Texas physician gold card law will cut prior-authorization delays.

Movement at the federal level

In Congress, “The Improving Seniors’ Timely Access to Care Act” (HR 3173; S. 3018) would require Medicare Advantage plans to streamline and standardize prior-authorization processes and improve the transparency of requirements.

“We think that would be a really huge step in improving plan accountability,” McComas said of the bill, which has strong bipartisan support in the House and Senate and may pass by year’s end. “It would be a benefit to Medicare Advantage patients and also, certainly, physicians in reducing administrative hassles.”

Physicians can learn more about prior authorization, lend their support to legislation, share their stories and more at the [FixPriorAuth.org](https://www.fixpriorauth.org).