What is prior authorization?

Prior authorization is a health plan cost-control process that requires physicians and other health care professionals to obtain advance approval from a health plan before a specific service is delivered to the patient to qualify for payment coverage.

What experts are saying about prior authorization

In today’s physician practice, the prior authorization process is typically manual and time consuming, diverting valuable resources away from patient care. In addition, prior authorization can delay treatment and impact optimal patient health outcomes.

Fixing prior authorization is a core element of the AMA Recovery Plan for America’s Physicians. The AMA works to right-size prior authorization through advocacy efforts and significant research focused on physician concerns over patient care delays, administrative costs and workflow disruptions.

Prior authorization impacts quality patient care

AMA research shows that prior authorization is a barrier to providing timely, patient-centered care. According to the AMA’s annual prior authorization physician survey (PDF), 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

In the June 16, 2022, episode of the “AMA Thriving in Private Practice” podcast, prior authorization expert Heather McComas, AMA director of administrative simplification initiatives, notes that from this survey, “An overwhelming majority of physicians, 93%, indicated that prior authorization can delay access to medically necessary care. And this just isn’t about making people wait or inconveniencing them. It actually has negative impacts on their health.”

Prior authorization woes can also extend to employers. While health insurers tout prior authorization as a cost-saving measure, the AMA survey also found that it can lead to absenteeism and a less
productive workforce.

**Prior authorization is an administrative burden**

Prior authorization costs valuable time for physicians and health care staff. AMA’s prior authorization physician survey reports that physicians complete an average of 41 prior authorizations per physician per week–this workload translates to almost two business days of physician and staff time.

McComas notes, “it’s also disturbing to note that 40% of physicians indicated that they have hired practice staff just to do prior authorization. Again, we’re adding a lot of administrative costs to our health care system just to do paperwork.”

AMA offers tips to help physicians reduce the prior authorization burden in their practice (PDF), and strongly advocates for health plans to offer automated, streamlined processes.

**Momentum to fix prior authorization is building**

AMA continues to fight excessive and unnecessary prior authorization through reform initiatives underway at both the state and federal levels. In addition, the AMA adopts policies to minimize the current impact of prior authorization on practices.

In a June 27, 2022, AMA Moving Medicine video update, Rep. Suzan DelBene (D-WA) discusses a current bipartisan legislative effort, the “Improving Seniors’ Timely Access to Care Act,” that would help reduce unnecessary delays in care by streamlining and standardizing prior authorization under the Medicare Advantage program, providing much-needed oversight and transparency of health insurance for America’s seniors.

“The bill would establish an electronic prior authorization process,” says DelBene, “so we can be speedy about getting information exchange. It would require HHS to establish a process for real-time decisions for items and services that are routinely approved. Again, there’s no reason for something that's routinely approved to be delayed.”

**Prior authorization efforts at the state level**

AMA is committed to fix prior authorization by working with state legislators and medical societies to remove insurance company interference in the timely delivery of patient care.

As the demand and need for such reforms continues to grow, the AMA has created a related issue brief (PDF) that medical societies can use to begin efforts to address prior authorization in state legislative processes.
Explore other AMA resources on prior authorization

Learn more about AMA’s grassroots advocacy campaign on prior authorization reform at FixPriorAuth.org. The FixPriorAuth campaign also includes a call to action. Other key AMA prior authorization resources include:

- Prior authorization reform initiatives
- Prior authorization reform resources
- Prior authorization practice resources
- Prior authorization research & reports
- AMA Journal of Ethics: Should Clinicians Be Activists?
- AMA Ed Hub™:
  - Administrative Burden and Costs of Prior Authorizations in a Dermatology Department: Interview with Aaron M. Secrest, MD, PhD, author of Administrative Burden and Costs of Prior Authorizations in a Dermatology Department
  - “Refocusing Medication Prior Authorization on Its Intended Purpose”
  - “Administrative Burden and Costs of Prior Authorizations in a Dermatology Department”

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