How Michigan’s prior-authorization reform law was passed

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In addition to advocating prior-authorization reform on Capitol Hill, the AMA has successfully fought for reform at the state level and has helped get legislation passed in several states, including Georgia, Illinois, Kentucky and Michigan.

As in other states (PDF), the prior authorization-reform effort in Michigan included educating legislators and policymakers with data on the issue, having patients tell their stories of how prior authorization delayed their care, providing model legislation (PDF) and building a coalition of concerned stakeholders called Health Can’t Wait.

“What's interesting about Michigan is that we went to the Chamber of Commerce, which is usually in line with insurance companies on this issue,” said AMA Immediate Past Chair Bobby Mukkamala, MD, an otolaryngologist in Flint, Michigan.

While health insurers tout prior authorization as a cost-saving measure, an AMA survey (PDF) of 1,004 physicians found that it can lead to absenteeism and a less productive workforce, as delayed, denied or abandoned care harms the health of employees.

“For the first time ever, they were neutral on this,” Dr. Mukkamala said. “They see the toll of prior authorization on the economics of the workplace.”

The Michigan State Medical Society, which led the effort to create the Health Can’t Wait initiative, has laid out more details about how the prior-authorization reform law there will help.

Upon the bill's signing, MSMS Past President Pino Colone, MD, said it was “a wonderful day for Michigan patients who can now rest easy knowing insurance company prior-authorization practices will no longer prove to be an impassable roadblock between them and the timely care and treatment they too often desperately need.”
Dr. Mukkamala talked about the passage of Michigan state Senate Bill 247 in a recent episode of “AMA Update.”

Fixing prior authorization is a critical component of the AMA Recovery Plan for America’s Physicians.

It 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.

Alarming statistics

Dr. Mukkamala cited the findings of the AMA survey showing that health insurers 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 and abandonment of treatment.

“One out of every three physicians have seen patients have a severe adverse consequence to prior authorization,” he said.

The AMA survey also found that, on average, physicians and their staff spend nearly two business days completing 41 prior authorizations per week. According to the survey, 40% of physicians have staff who work exclusively on prior authorizations—but Dr. Mukkamala said it can be hard to find people to fill this difficult role.

“It’s hard enough to find medical staff anyway in this post-COVID era—let alone bringing somebody into a job that’s fraught with frustration,” he said. “My medical staff doesn’t like begging administrators for permission to do the right thing and, when they’re not getting it, having to pick up the phone and call the patient saying, ‘You know what? We’re going to have to push back this test or push back this procedure.’”

More than 80% of physicians surveyed reported that the number of prior authorizations required for both prescription medications and medical services has grown over the past five years. And the issue is reaching lawmakers and the general public too.

“When we went to our state House and our state Senate to say that we need to solve this problem, and we share stories about rationing insulin while waiting to get a test done or waiting for a PET scan to stage cancer, you could just see heads nodding across the committee on the other side of this room from us because everybody has this experience,” Dr. Mukkamala said.

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