

Prior authorization and step therapy

State action for COVID-19

Insurers' administrative hurdles commonly delay access to care and pose intrusions into the patient-physician decision-making process. These requirements are [harmful](#) to patients and there are costs to physician practices in completing insurers' administrative requirements such as prior authorization and step therapy.

While the AMA normally works to reduce these barriers, under the exceptional circumstances of the COVID-19 pandemic, the AMA feels it is important to suspend them all together. For example, it seems unfathomable that at this moment, our health care system is still allowing prior authorization requirements to interfere in the provision of care, cause patients to make multiple trips to the pharmacy, delay transfers out of hospital settings, and pull valuable resources away from patient care. Additionally, it is important that after this crisis is over, authorizations for care that were postponed due the pandemic remain valid until such time as the care is provided, relieving patients and physicians from any additional barriers and delays in care. **The AMA strongly urges policymakers to take immediate steps to prevent insurers' administrative requirements from delaying care and payment and undercutting practice resources.**

What have state policymakers done?

Several states have taken action to protect patients and physicians from the harms and waste associated with prior authorization and during the COVID-19 pandemic. For example:

- Many states have removed prior authorization for **COVID-19 testing** (e.g. [New Hampshire](#)) and **treatment** (e.g. [Delaware](#), [New Mexico](#), [Washington](#)).
- Forty-one states temporarily suspended prior authorization requirements for **fee-for-service Medicaid** under a 1135 waiver (e.g. [Alaska](#), [Idaho](#), [Massachusetts](#), [Oregon](#)) and 34 states also require that prior authorizations granted before the emergency orders remain valid until the end of the public health emergency (e.g. [Arizona](#), [Colorado](#), [Connecticut](#), [Idaho](#), [Illinois](#), [Maryland](#), [Missouri](#), [Nebraska](#), [New Jersey](#), [Oklahoma](#), [Vermont](#)).
- Some states have also suspended prior authorization requirements for **Medicaid managed care plans** (e.g. [Ohio](#), [Virginia](#)).
- Several states are requiring health insurers to ease prior authorization for **prescription medications** in certain situations. For example, in [California](#), insurers must streamline or eliminate processes for requesting prior authorization, step therapy exceptions, and exceptions for obtaining off-formulary drugs when a drug is unavailable due to supply chain disruptions or similar issues.
- In [West Virginia](#), the Public Employee Insurance Agency (PEIA) has **expanded the timeframe for any current approvals** through the end of 2020.
- [Washington state](#) has reduced prior authorizations that may delay **discharge from a hospital** by requiring that when insufficient time exists for a long-term care facility or home health services to receive approval prior to discharge from a hospital, plans must treat this as an extenuating circumstance, thereby

eliminating the requirement for prior authorization. For other covered services necessary for discharge to a long-term care facility or home that are subject to prior authorization, plans must treat these requests for prior authorization as expedited prior authorization requests

- [New York](#) recently suspended all prior authorization requirements for all **services performed at hospitals**, including lab work and radiology, until June 18, 2020.

What have health insurers done?

Some health insurers have taken steps to reduce the burden of prior authorization and other utilization management requirements on patients and providers during this time. For example, several national plans have **removed prior authorization for COVID-19 testing**, and some have relaxed prior authorizations for **admissions to post-acute care** settings. The AMA has put together a [chart](#) outlining several national health insurers' prior authorization policies.

What can your state do?

- ✓ Initially, much can be learned from Medicaid and the allowances made in 1135 waivers. The AMA is advocating for a **temporary suspension of all prior authorization programs**, as many Medicaid fee-for-service programs have implemented.
- ✓ If full suspension is not possible in your state, an initial priority should be to prevent prior authorization requirements from delaying access to COVID-19 testing and treatment. As such, **prior authorizations should not be permissible for COVID-19 testing and treatment**, including treatment for patients who have not received a test but are displaying COVID-19 symptoms or who have knowingly been exposed.
- ✓ Additionally, ensuring adequate hospital beds and well as decreased exposure for hospitalized patients to COVID-19 is critical. Therefore, policymakers must ensure **that prior authorizations are prohibited when patients are ready to transfer from the hospital to a post-acute care setting or to their home with home health services**.
- ✓ Looking ahead, many patients have delayed services because of COVID-19 and often that care was already preauthorized. To prevent unnecessary delays in care and to reduce the burden on struggling physician practices and other providers, it is critical that **prior authorizations be extended until the care is provided**.

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