Prior authorization (PA) is a cost-control process that requires health care professionals to obtain advance approval from health plans before a prescription medication or medical service qualifies for payment and can be delivered to the patient. While health plans and benefit managers contend PA programs are necessary to control costs, physicians and other providers find these programs to be time-consuming barriers to the delivery of necessary treatment.

To reduce administrative burdens and promote access to safe, timely care, the American Medical Association, along with the American Hospital Association, America’s Health Insurance Plans, the American Pharmacists Association, the Blue Cross Blue Shield Association and the Medical Group Management Association, released the “Consensus Statement on Improving the Prior Authorization Process” (CS) in January 2018. Unfortunately, as a December 2022 AMA survey of more than 1,000 practicing physicians reveals, PA continues to harm patients and burden practices. Moreover, as detailed in the following data charts, although the CS was released nearly five years prior to the fielding of the AMA physician survey, health plans have yet to widely implement these reforms.

Patients and physicians have waited long enough: legislative and regulatory action is needed to spur meaningful improvements in PA programs. To learn more and support PA reform, visit FixPriorAuth.org.

Selective application of PA

**CS agreement** Encourage the use of programs that selectively implement PA requirements based on stratification of health care providers’ performance and adherence to evidence-based medicine.

**Survey** Only 11% of physicians report contracting with health plans that offer programs that exempt providers from PA.

Q: Do any of the health plans with which you contract offer programs that exempt physicians from PA requirements?

PA program review and volume adjustment

**CS agreement** Encourage revision of PA requirements, including the list of services subject to PA, based on data analytics and up-to-date clinical criteria.

**Survey** A strong majority (81%* and 80% respectively) of physicians report that the number of PAs required for prescription medications and medical services has increased over the last five years.

Q: How has the number of PAs required for prescription medications/medical services used in your patients’ treatment changed over the last five years?

*Percentages do not sum to 100% due to rounding.

**Prescription drug PA burden** Physicians report that, on average, more than 1 in 5 prescriptions require PA.
Transparency and communication regarding PA

**CS agreement** Encourage transparency and easy accessibility of PA requirements, criteria, rationale and program changes to contracted health care providers and patients/enrollees.

**Survey** A majority (64% and 62%, respectively) of physicians report that it is difficult to determine whether a prescription medication or medical service requires PA.

**Automation to improve transparency and efficiency**

**CS agreement** Encourage health care providers, health systems, health plans and pharmacy benefit managers to accelerate use of existing national standard transactions for electronic PA.

**Survey** Physicians report **phone** as the most commonly used method for completing PAs. Moreover, **only 29%** of physicians report that their EHR* system offers electronic PA for prescription medications.

<table>
<thead>
<tr>
<th>Method</th>
<th>Prescription PAs (% use always or often)</th>
<th>Medical service PAs (% use always or often)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phone</td>
<td>54%</td>
<td>56%</td>
</tr>
<tr>
<td>Fax</td>
<td>47%</td>
<td>45%</td>
</tr>
<tr>
<td>EHR/PMS*</td>
<td>52%</td>
<td>33%</td>
</tr>
<tr>
<td>Plan portal</td>
<td>44%</td>
<td>40%</td>
</tr>
<tr>
<td>Email or U.S. mail</td>
<td>24%</td>
<td>26%</td>
</tr>
</tbody>
</table>

*Percentages do not sum to 100% due to rounding.

Q: How difficult is it for you and/or your staff to determine whether a prescription medication or medical service requires prior authorization?

Q: Please indicate how often you and/or your staff use each of the following methods to complete PAs for prescription medications/medical services.

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Continuity of patient care

**CS agreement** Encourage sufficient protections for continuity of care during a transition period for patients undergoing an active course of treatment when there is a formulary or treatment coverage change or change of health plan that may disrupt their current course of treatment.

**Survey** An overwhelming majority (89%) of physicians report that PA interferes with continuity of care.

Q: How often does the PA process interfere with the continuity of ongoing care (e.g., missed doses, interruptions in chronic treatment)?

To join the AMA's grassroots PA reform campaign, visit **fixpriorauth.org**.

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**References**
