Consensus Statement on Improving the Prior Authorization Process

Our organizations represent health care providers (physicians, pharmacists, medical groups, and hospitals) and health plans. We have partnered to identify opportunities to improve the prior authorization process, with the goals of promoting safe, timely, and affordable access to evidence-based care for patients; enhancing efficiency; and reducing administrative burdens. The prior authorization process can be burdensome for all involved—health care providers, health plans, and patients. Yet, there is wide variation in medical practice and adherence to evidence-based treatment. Communication and collaboration can improve stakeholder understanding of the functions and challenges associated with prior authorization and lead to opportunities to improve the process, promote quality and affordable health care, and reduce unnecessary burdens.

The following five areas offer opportunities for improvement in prior authorization programs and processes that, once implemented, can achieve meaningful reform.

1. **Selective Application of Prior Authorization.** Differentiating the application of prior authorization based on provider performance on quality measures and adherence to evidence-based medicine or other contractual agreements (i.e., risk-sharing arrangements) can be helpful in targeting prior authorization requirements where they are needed most and reducing the administrative burden on health care providers. Criteria for selective application of prior authorization requirements may include, for example, ordering/prescribing patterns that align with evidence-based guidelines and historically high prior authorization approval rates.

   We agree to:

   - *Encourage the use of programs that selectively implement prior authorization requirements based on stratification of health care providers' performance and adherence to evidence-based medicine*
   - *Encourage (1) the development of criteria to select and maintain health care providers in these selective prior authorization programs with the input of contracted health care providers and/or provider organizations; and (2) making these criteria transparent and easily accessible to contracted providers*

- *Encourage appropriate adjustments to prior authorization requirements when health care providers participate in risk-based payment contracts*

2. **Prior Authorization Program Review and Volume Adjustment.** Regular review of the list of medical services and prescription drugs that are subject to prior authorization requirements can help identify therapies that no longer warrant prior authorization due to, for example, low variation in utilization or low prior authorization denial rates. Regular review can also help identify services, particularly new and emerging therapies, where prior authorization may be warranted due to a lack of evidence on effectiveness or safety concerns.

   We agree to:

   - *Encourage review of medical services and prescription drugs requiring prior authorization on at least an annual basis, with the input of contracted health care providers and/or provider organizations*
   - *Encourage revision of prior authorization requirements, including the list of services subject to prior authorization, based on data analytics and up-to-date clinical criteria*
   - *Encourage the sharing of changes to the lists of medical services and prescription drugs requiring prior authorization via (1) provider-accessible websites; and (2) at least annual communications to contracted health care providers*

3. **Transparency and Communication Regarding Prior Authorization.** Effective, two-way communication channels between health plans, health care providers, and patients are necessary to ensure timely resolution of prior authorization requests to minimize care delays and clearly articulate prior authorization requirements, criteria, rationale, and program changes.

   We agree to:

   - *Improve communication channels between health plans, health care providers, and patients*
   - *Encourage transparency and easy accessibility of prior authorization requirements, criteria, rationale, and program changes to contracted health care providers and patients/enrollees*
   - *Encourage improvement in communication channels to support (1) timely submission by health care providers of the complete information necessary to make a prior authorization determination as early in the process as possible; and (2) timely notification of prior authorization determinations by health plans to impacted health care providers (both ordering/rendering physicians and dispensing pharmacists) and patients/enrollees*

4. **Continuity of Patient Care.** Continuity of patient care is vitally important for patients undergoing an active course of treatment when there is a formulary or treatment coverage

change and/or a change of health plan. Additionally, access to prescription medications for patients on chronic, established therapy can be affected by prior authorization requirements. Although multiple standards addressing timeliness, continuity of care, and appeals are currently in place, including state and federal law and private accreditation standards, additional efforts to minimize the burdens and patient care disruptions associated with prior authorization should be considered.

We agree to:

- ***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***
- ***Support continuity of care for medical services and prescription medications for patients on appropriate, chronic, stable therapy through minimizing repetitive prior authorization requirements***
- ***Improve communication between health care providers, health plans, and patients to facilitate continuity of care and minimize disruptions in needed treatment***

5. **Automation to Improve Transparency and Efficiency.** Moving toward industry-wide adoption of electronic prior authorization transactions based on existing national standards has the potential to streamline and improve the process for all stakeholders. Additionally, making prior authorization requirements and other formulary information electronically accessible to health care providers at the point-of-care in electronic health records (EHRs) and pharmacy systems will improve process efficiencies, reduce time to treatment, and potentially result in fewer prior authorization requests because health care providers will have the coverage information they need when making treatment decisions. Technology adoption by all involved stakeholders, including health care providers, health plans, and their trading partners/vendors, is key to achieving widespread industry utilization of standard electronic prior authorization processes.

We agree to:

- ***Encourage health care providers, health systems, health plans, and pharmacy benefit managers to accelerate use of existing national standard transactions for electronic prior authorization (i.e., National Council for Prescription Drug Programs [NCPDP] ePA transactions and X12 278)***
- ***Advocate for adoption of national standards for the electronic exchange of clinical documents (i.e., electronic attachment standards) to reduce administrative burdens associated with prior authorization***
- ***Advocate that health care provider and health plan trading partners, such as intermediaries, clearinghouses, and EHR and practice management system vendors, develop and deploy software and processes that facilitate prior authorization automation using standard electronic transactions***
- ***Encourage the communication of up-to-date prior authorization and step therapy requirements, coverage criteria and restrictions, drug tiers, relative***

costs, and covered alternatives (1) to EHR, pharmacy system, and other vendors to promote the accessibility of this information to health care providers at the point-of-care via integration into ordering and dispensing technology interfaces; and (2) via websites easily accessible to contracted health care providers