

# Prior Authorization

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July 11, 2019



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Association

Blue Cross Blue Shield Association is an association of independent Blue Cross and Blue Shield companies.

## ***Prior Authorization: Addressing Patient Safety and Reducing Unwarranted Variations in Medical Care***

- Health plans set medical and pharmacy policy based on input from medical professionals and contracted providers to set clear guidelines that adhere to current scientific evidence
  - Plans review medical policies annually and when new evidence emerges
  - Seek input and consult with professional societies regarding guidelines and published evidence
  - Medical policy review and necessity determinations are conducted by trained clinicians covering different specialties
- A plan may choose a medical management tool like prior authorization (PA) to ensure access to optimal care and patient safety based on well-established evidence of effective and safe treatments. Situations include:
  - In cases where there is evidence of broad, unwarranted variation within a health plan's network
  - The cost of treatment may be exceedingly high, especially where lower cost alternatives exist

## **Prior Authorization: *What is Needed and Why***

- **Technology adoption & Interoperability by all involved stakeholders is key to achieving widespread industry utilization of standard electronic PA processes**
  - System lacks the foundation of a widely adopted electronic data exchange
- **Continuity of care for medical services and prescription medications for patients**
  - Care Coordination between multiple specialists involved in a patient's care is critical
- **Closing gaps that exist between evidence-based best practices and the care actually being delivered to patients**
  - The U.S. healthcare system delivers evidence-based care in just 55% of encounters

## Consensus Statement on Improving the Prior Authorization Process

Blue Cross Blue Shield Association (BCBSA) along with the American Hospital Association (AHA), America's Health Insurance Plans (AHIP), American Medical Association (AMA), American Pharmacists Association (APhA), and Medical Group Management Association (MGMA) announced a Consensus Statement outlining their shared commitment to industry-wide improvements to prior authorization processes and patient-centered care.

- ***“This group of health care leaders is committed to ongoing collaboration to improve the prior authorization process for health care professionals, health insurance carriers, and, most importantly, patients by highlighting five (5) opportunities for improvement in prior authorization programs and processes that, once implemented, can achieve meaningful reform”***

## **Prior Authorization: *Consensus Statement Concepts***

### **1) *Selective Application of Prior Authorization***

- 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

### **2) *Prior Authorization Program Review and Volume Adjustment***

- 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***

- Encourage transparency and easy accessibility of prior authorization requirements, criteria, rationale, and program changes to contracted health care providers and patients/enrollees.

## **Prior Authorization: *Consensus Statement Concepts***

### **4) *Continuity of Patient Care***

- 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

### **5) *Automation to Improve Transparency and Efficiency***

- 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