Opportunities to Improve the Prior Authorization Process

NCOIL Summer Meeting
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In your experience, has the PA process ever affected care delivery and led to a serious adverse event (e.g., death, hospitalization, disability/permanent bodily damage, or other life-threatening event) for a patient in your care?

28% reported PA led to a serious adverse event
A Growing Administrative Practice Burden
That Takes Physicians Away from their Patients and Drives Costs

Change in PA burden over last five years

Q: How has the burden associated with PA changed over the last five years in your practice?

- 50% report increased significantly
- 38% report increased somewhat
- 10% report no change
- 2% report decreased somewhat or significantly

88% report PA burdens have increased over the last 5 years

On average, practices complete 31 PAs per physician, per week*

Physicians and their staff spend an average of almost two business days (14.9 hours) each week completing PAs†

More than 1 in 3 of physicians have staff who work exclusively on PA‡
Frustrating Stories from my own Practice
AMA’s Collaborative Efforts
Prior Authorization and Utilization Management Reform Principles

- American Medical Association
- American Academy of Child and Adolescent Psychiatry
- American Academy of Dermatology
- American Academy of Family Physicians
- American College of Cardiology
- American College of Rheumatology
- American Hospital Association
- American Pharmacists Association
- American Society of Clinical Oncology
- Arthritis Foundation

- Colorado Medical Society
- Medical Group Management Association
- Medical Society of the State of New York
- Minnesota Medical Association
- North Carolina Medical Society
- Ohio State Medical Association
- Washington State Medical Association

- >100 Organizations have Signed on since the Workgroup Adopted the Principles
AMA’s Collaborative Efforts
Prior Authorization and Utilization Management Reform Principles

- Underlying assumption: Utilization management will continue to be used for the foreseeable future
- Sound, common-sense concepts
- 21 principles grouped in 5 broad categories:
  - Clinical validity
  - Continuity of care
  - Transparency and fairness
  - Timely access and administrative efficiency
  - Alternatives and exemptions
AMA’s Collaborative Efforts
Consensus Statement on Improving the Prior Authorization Process

• Released Jan 2018 by AMA, AHA, AHIP, APhA, BCBSA, & MGMA
• GOAL: Promote safe, timely, and affordable access to evidence-based care for patients; enhance efficiency; and reduce administrative burdens
• Five “buckets” addressed:
  • Selective application based on performance
  • Regular review of services/drugs requiring prior auth
  • Improved transparency and communication
  • Protections for continuity of care
  • Automation to improve efficiency/ transparency
    • ePA adoption
    • Integration of data on coverage, PA requirements, step tx, tiers, costs, & covered alternatives in EHR prescribing interfaces
Following the Consensus Statement, Little Progress is Being Made

- 88% of physicians report that the number of PAs required has increased over the last five years.
- Only 8% of physicians report contracting with health plans that offer programs that exempt providers from PA.
- 69% physicians report that it is difficult to determine whether a prescription or medical service requires PA.
- 85% of physicians report that PA interferes with continuity of care.
- Only 21% of physicians report that their EHR system offers electronic PA for prescription medications
State Legislative Opportunities

• Transparency of PA requirements. Notice before new ones.
• Public release of stats on approvals, denials, appeals
• Response time (24 hours for urgent, 48 hours for non-urgent)
• Adverse determinations only by physician (licensed in state) of same specialty that typically manages condition. Ordering physician can talk with that physician
• No retroactive denials if care provided in 45 working days.
• Valid 1 year, regardless of dose changes. Chronic cond: valid for length of treatment
• Continuity: New plan honors PA for 60 days. Within-plan PA changes do not trigger new PA during plan year
• Payors/vendors must accept electronic PA transactions
• Step Therapy limitations
What Can NCOIL Members Do?

The AMA asks that

• NCOIL consider our model legislation as a reasonable approach to reducing the harmful and costly impact of prior authorization on patients, physicians, pharmacists, and other stakeholders.

• NCOIL members support legislation in their states to address prior authorization burdens and create reasonable and meaningful exceptions processes for step therapy requirements.

• NCOIL continue to consider meaningful ways to reduce health care costs that are not simply cost shifts from payers to patients or from benefit to benefit.

We look forward to working with you on these important issues.
Prior authorization hurts patients and physicians. It’s time to #FixPriorAuth.

Click below to discover how prior authorization affects you.

"I told the idiot on the other end of the phone that if 6 weeks of physical therapy could cure lung cancer, we would have a miracle on our hands."
– Dr. Tamara P., Pennsylvania
Read More >

"One day my doctor tried [to obtain prior authorization] and his staff spent 6 hours on the phone for one patient."
– @it_temple, Arizona
Read More >

"Prior authorizations take up significant staff resources. In the majority of cases, prior authorizations delay treatment, which in psychiatry can have dangerous consequences."
– Dr. Howard L., Pennsylvania
Read More >

"I've had patients whose care has been delayed for 3+ months because of incompetence on the part of the insurance company."
– Elizabeth F., Oklahoma
Read More >

"I save applying for prior authorizations until the end of the day to keep me from swearing out loud when there are patients around."
– Donna C., Arkansas
Read More >

"I'm deaf and prior authorization is an additional barrier to me receiving prescriptions for my health and mental wellness."
– Candice M., Georgia
Read More >

"We did a project to track what percentage of prior authorization requests from my patients were denied."

"This arguing lasted about 3 days - 3 more days of delaying carefully timed treatment that could have improved my condition."

"Honesty - why the hell do you mean?"

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