



# **NCOIL Prior Authorization Reform Model Act**

**NCOIL Spring Meeting  
Health Insurance & Long Term Care Issues Committee  
April 25, 2025**

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# Prior authorization harms patients

29% of physicians report that PA has led to a **serious adverse event** for a patient in their care.

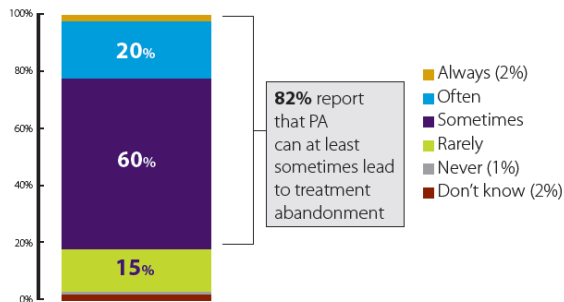
23% report that PA has led to a patient's **hospitalization**

18% report that PA has led to a **life-threatening event** or required intervention to prevent permanent impairment or damage

8% report that PA has led to a patient's **disability, permanent bodily damage, congenital abnormality/birth defect or death**

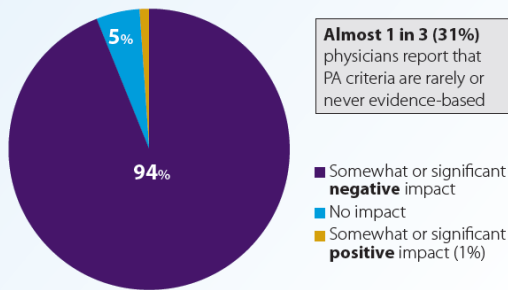
## Treatment abandonment due to PA

Q: How often do issues related to the PA process lead to patients abandoning their recommended course of treatment?



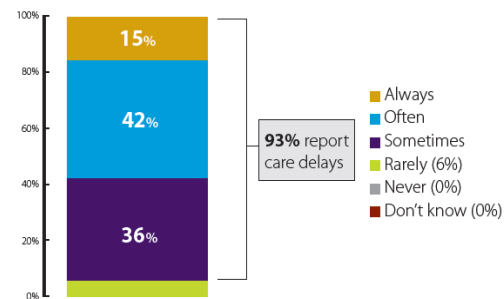
## Impact of PA on clinical outcomes

Q: For those patients whose treatment requires PA, what is your perception of the overall impact of this process on patient clinical outcomes?

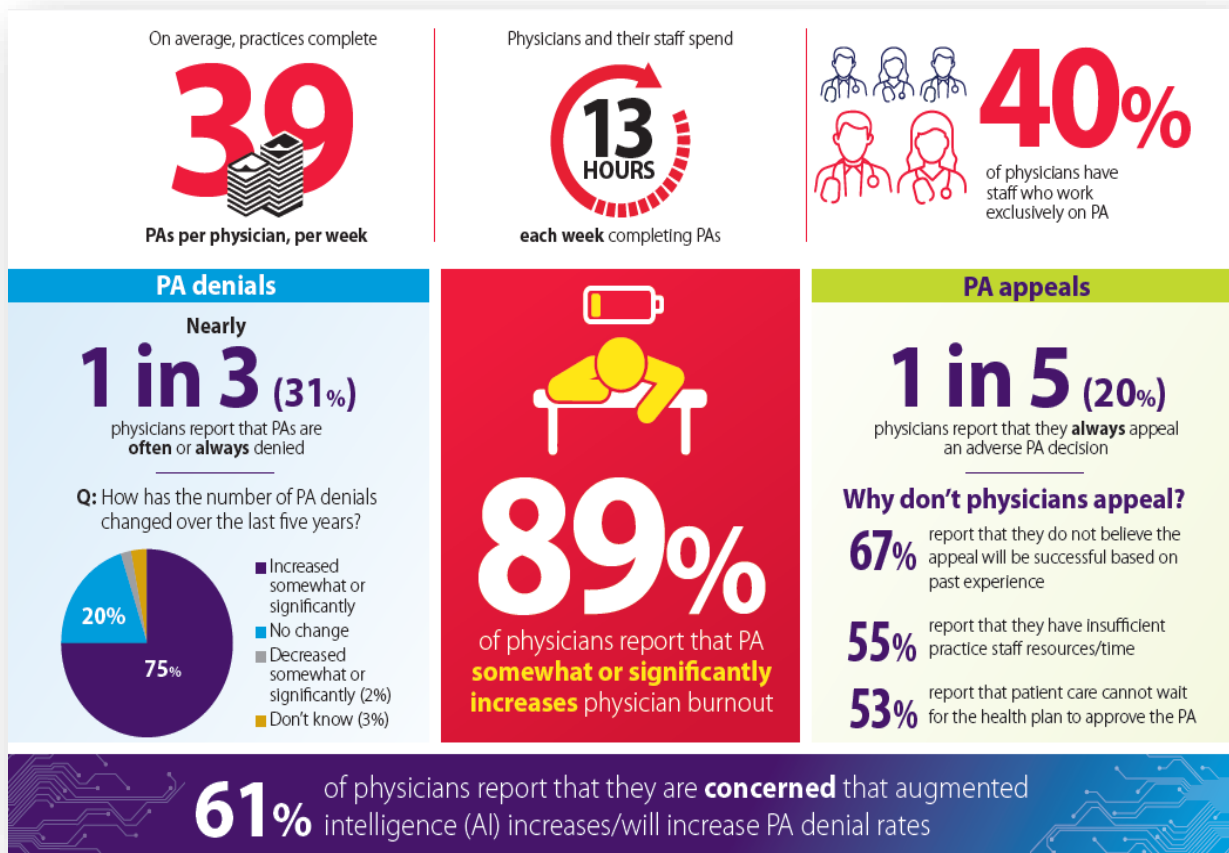


## Care delays associated with PA

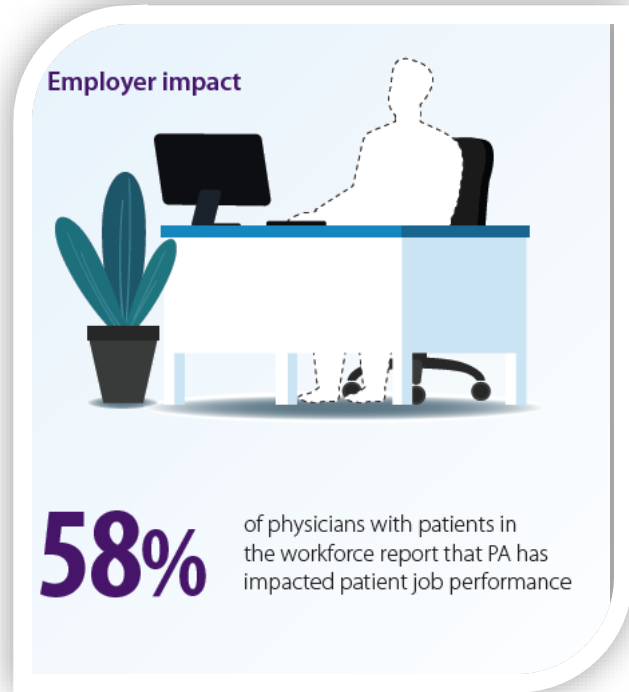
Q: For those patients whose treatment requires PA, how often does this process delay access to necessary care?



# Prior authorization wastes practice resources

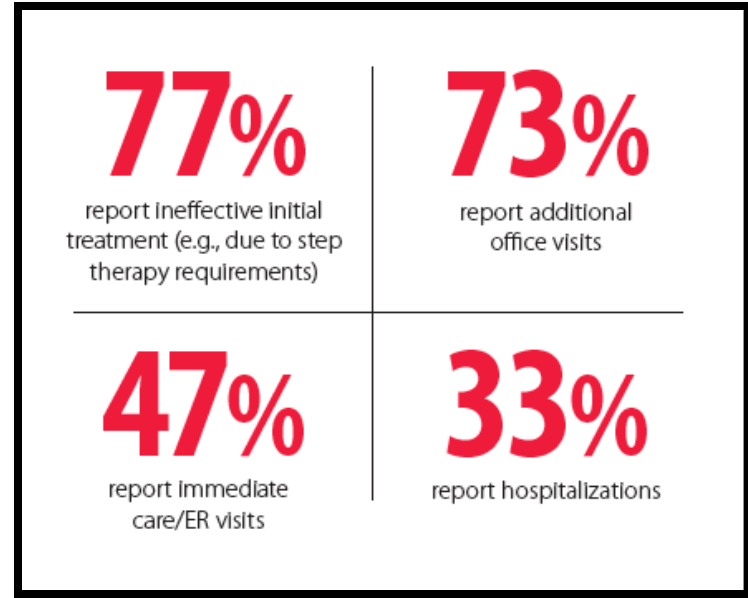
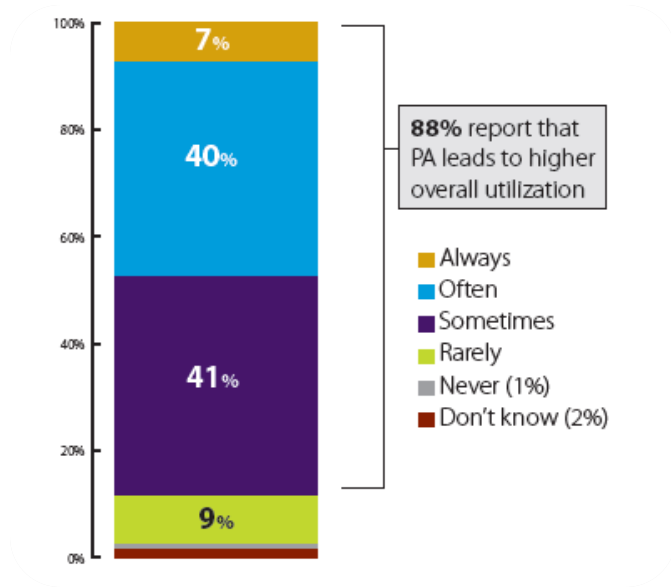


# Prior authorization impacts employers

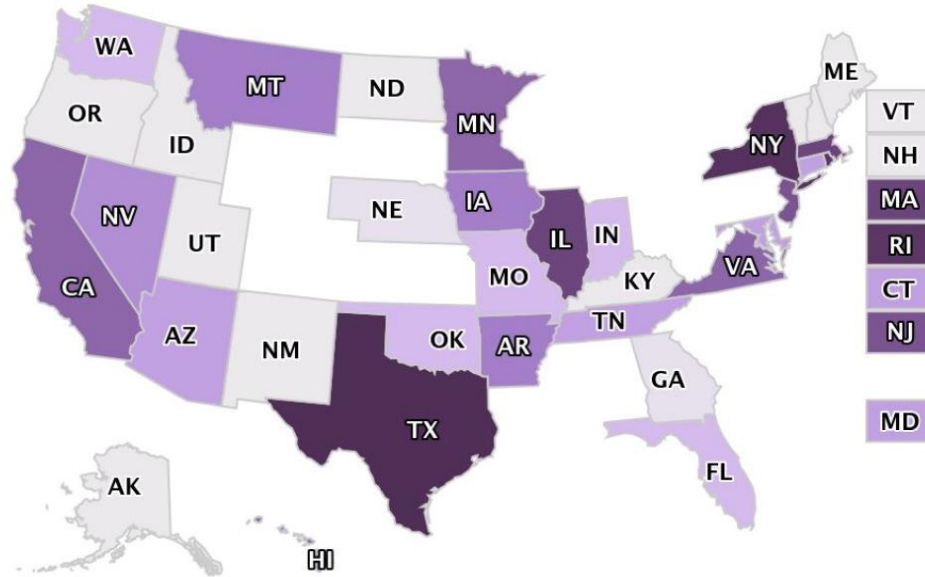


Employers may face reduced productivity if prior authorization causes employees to miss work due to rescheduled appointments or continued illness while waiting for care.

# Prior authorization wastes health care resources



# State momentum on reform



# Draft NCOIL Prior Authorization Reform Model Act :

## Meaningful reforms

- Transparency and integrity of clinical criteria
- Notice of new requirements
- Data and metric reporting
  - Public
  - Regulator
- Prohibition on retroactive denials
- Continuity of Care:
  - Grace periods for new enrollees
  - Prevent disruptions from changes in coverage or criteria
- Enforcement

# Opportunities to align with best practices

## 1. Shorter response times for prior authorization decisions

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**Why it's important:** Patient harm often comes from the delays associated with prior authorization

- 93% of physician report care delays; 82% report treatment abandonment; and 29% report serious adverse event (AMA survey)
- ASCO [survey](#) reported prior authorization caused delays in treatment 96% of the time and delays had real adverse effects—disease progression (80%) and death of a patient (36%).

**Best practices:** AMA recommends 24 hours for urgent and 48 hours for nonurgent care

- Federal Part D standard: 24 hours for urgent and 72 for nonurgent
- Several states 24 hours for urgent (e.g. VT, KY, NM) and <7 days for nonurgent (CA, IL, IA, WY)



## 2. Extend the length of prior authorizations

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**Why it's important:** Repeat authorizations interrupt care and waste resources

- 89% of physicians report that prior authorization interferes with continuity of care and 61% report that prior authorization at least sometimes destabilizes a patient previously stabilized on a specific treatment plan. (AMA survey)
- CAQH [report](#) found that administrative processes, including prior authorization, resulted in \$89 billion of national healthcare expenditures.

**Best practices:** AMA recommends at least a year, but no repeat requirements for the treatment of chronic conditions or long-term care

- MA plans: approval of a prior authorization request for a course of treatment must be valid for as long as medically necessary to avoid disruptions in care.
- Several states reduce/prevent repeat prior authorizations (e.g. VT, MN, DC, CO)

### 3. Stronger qualifications of the reviewer at the initial review level

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**Why it's important:** Unqualified reviewers make erroneous adverse determinations that are infrequently appealed, reduce access, and increase financial stress on patients.

- 75% of physicians say denials have increased in the last 5 years, but only 1 in 5 say they always appeal—reasons being perceived outcome, lack of resources, urgency of care. (AMA survey)
- KFF [study](#): 11.7% of MA prior authorization denials were appealed but 81.7% of appeals were overturned.
- KFF [survey](#): patients who experienced claim denials, 26% experienced significant treatment delays, 24% unable to receive recommended care, 24% experienced a decline in health, and 55% reported paying more for care than they had expected.

**Best practices:** AMA recommends the reviewer be a licensed physician in the state, same specialty, and with experience treating the condition.

- MA plans: If plan expects to issue an adverse medical necessity decision based on the initial review of the request, the determination must be reviewed by a physician or other appropriate health care professional with expertise in the field of medicine or health care that is appropriate for the services at issue.
- States adopting strong requirements (e.g. AR, DC, KY, OR, PA, RI, TN, WA, WY)

# Ready to help




## Advocacy Resource Center

Advocating on behalf of physicians and patients at the state level

### 2024 Prior Authorization (PA) State Law Chart

State	PA not required	Requires PA	PA's length	Emergency	State reporting	Clinical criteria and medical necessity	Right of review	Emergency and expedited	Exemption and waiver	Protections for patients
AK	Yes (sub-acute care)	No								
AL	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AR	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AS	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AZ	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CA	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CO	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
CT	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
DE	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
FL	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
GA	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
HI	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
IA	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
ID	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
IL	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
IN	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
KS	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
KY	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
LA	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
MA	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
MD	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
ME	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
MI	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
MO	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
MT	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
NE	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
NH	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
NJ	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
NM	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
NY	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
NC	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
ND	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
OH	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
OK	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
OR	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
PA	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
RI	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SC	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SD	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
TN	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
TX	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
UT	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
VA	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
VT	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
WA	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
WI	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes
WY	No	Yes (all care)	30 days	Yes	Yes	Yes	Yes	Yes	Yes	Yes



## IN THE GENERAL ASSEMBLY STATE OF

### Ensuring Transparency in Prior Authorization Act

1 Be it enacted by the People of the State of \_\_\_\_\_, represent

2 **Section 1. Title.** This act shall be known as and may be cited as the E

3 Authorization Act."

4 **Section 2. Purpose.** The Legislature hereby finds and declares that:

5 a) The patient-physician relationship is paramount and should not

6 b) Prior authorization programs place cost savings ahead of opti

7 c) Prior authorization programs shall not be permitted to hinder p

8 practice of medicine.

9 **Section 3. Definitions.**

10 a) "Adverse determination" means a d

11 services furnished or proposed to be f


12 experimental or investigational, and t

13 A decision to deny, reduce, or termin

14 medical necessity, or experimental o

15 purposes of this Act.

16 b) "Authorization" means a determin



## ADVOCACY RESOURCE CENTER

Advocating on behalf of physicians and patients at the state level

### Issue Brief: Federal changes to prior authorization rules and their impact on state legislative efforts

Recent changes to federal prior authorization rules for certain plans may impact or influence state reform efforts. It will be important for advocates, legislative associations, and other stakeholders to help educate state and where it is critical that additional state and health care resources.


#### Prior Authorization and

ability final rule. The final rule makes it supports increased data exchange g on the provision, these requirements take if government. The rule's provisions are rs to which they apply.

are Advantage, Medicaid, Medicaid aged care, and Qualified Health Plans ges in the rule apply to all programs. required under the rule for Medicare fee- ment the rule's requirements across

## AMA AI state advocacy and policy priorities

### Issue Brief



## FixPriorAuth

Home | The Issue | Take Action | Stories | Resources and News

## Resources and News


Learn more about the ongoing effects of prior authorization on patients and physicians over the years. Explore relevant resources and news.

RESOURCE | AMA


### 2024 AMA Prior Authorization Physician Survey

To assess the ongoing impact the prior authorization process has on patients, physicians, employers and overall health care spending, the AMA annually conducts a nationwide survey of 1,000 practicing physicians from a wide range of practice settings.

[Learn More](#)



[fixpriorauth.org](https://fixpriorauth.org)



## 2024 AMA prior authorization physician survey

Prior authorization (PA) is a health plan cost-control process that requires health care professionals to obtain advance approval from the health plan 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 assess the ongoing impact the PA process has on patients, physicians, employers and overall health care spending, the American Medical Association (AMA) annually conducts a nationwide survey of 1,000 practicing physicians (400 primary care/600 specialists) from a wide range of practice settings. As this year's findings demonstrate, the PA process continues to have a devastating effect on patient outcomes, physician burnout and employee productivity. In addition to negatively impacting care delivery and frustrating physicians, PA also leads to unnecessary spending (e.g., additional office visits, unanticipated hospital stays and patients regularly paying out-of-pocket for care).

# Contact

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THANK YOU!