



Current State of Prior Authorization: What is the Problem?

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eHealth Initiative Prior Authorization Workshop
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Current State of Prior Authorization

1. What is the problem?

- i. AMA research
- ii. Grassroots stories

2. Where are we going?

- i. Prior Authorization and Utilization Management Reform Principles
- ii. Consensus Statement on Improving the Prior Authorization Process



A person wearing a white lab coat is shown from the side, holding a tablet computer. The person's right hand is touching the screen, which displays a grid of data points. The background is a brick wall. The entire image has a blue tint.

AMA Prior Authorization Research

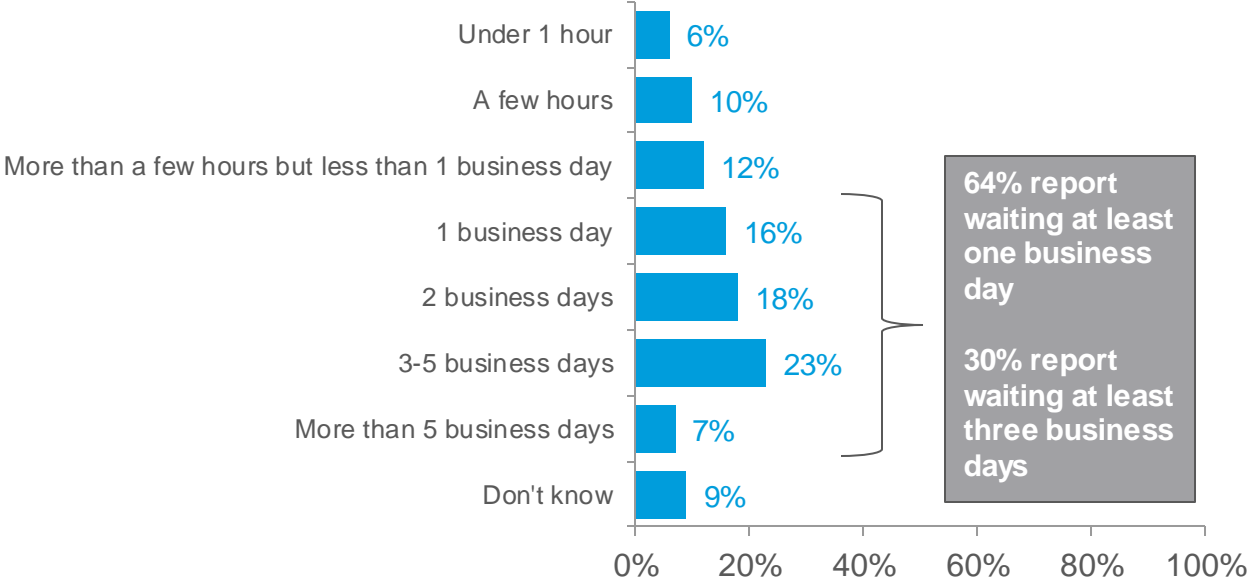
2017 AMA Survey Overview

- 1000 practicing physician respondents
- 40% PCPs/60% specialists
- Web-based survey
- 27 questions
- Fielded in December 2017



Average PA Response Wait Time

Question: In the last week, how long on average did you and your staff need to wait for a prior authorization (PA) decision from health plans?

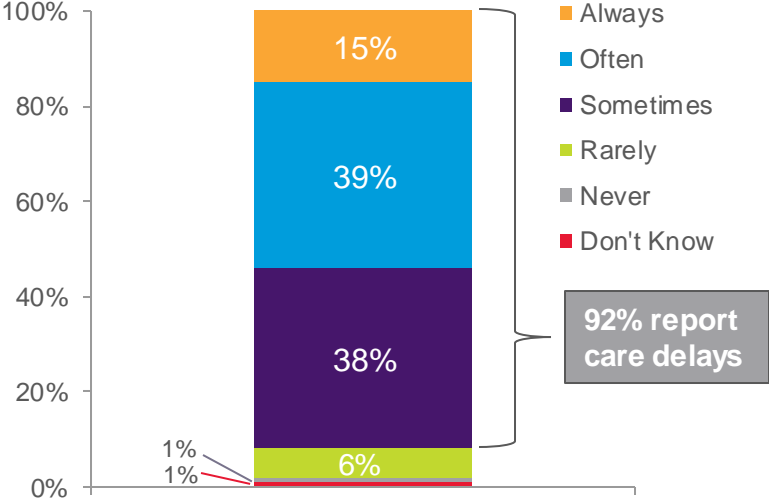


Total does not equal 100% due to rounding.



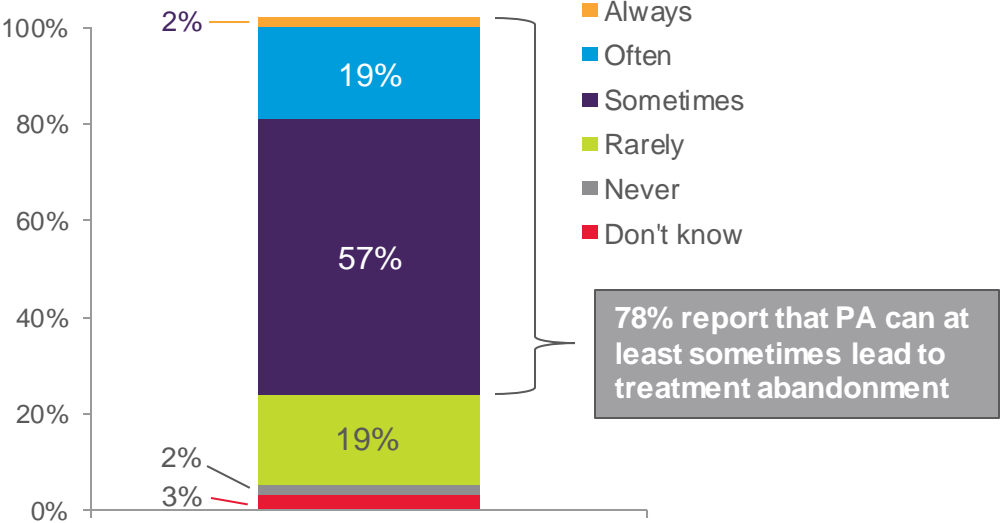
Care Delays Associated With PA

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



Treatment Abandonment Associated With PA

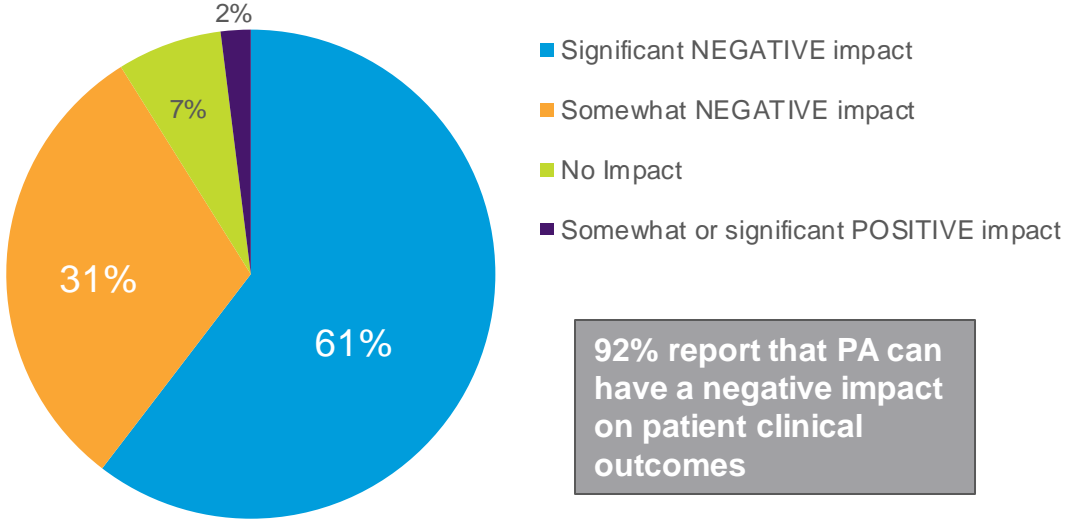
Question: For those patients whose treatment requires PA, how often do issues related to this process lead to patients abandoning their recommended course of treatment?



Total does not equal 100% due to rounding.

Impact of PA on Clinical Outcomes

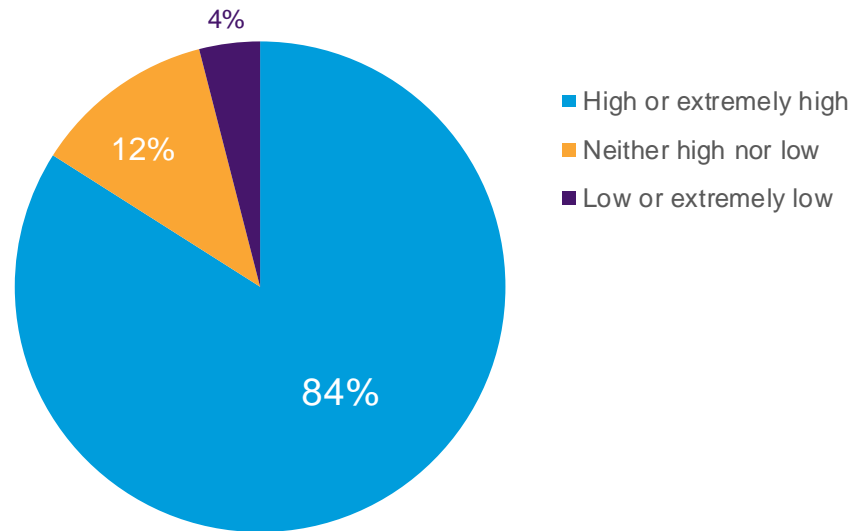
Question: For those patients whose treatment requires PA, what is your perception of the overall impact of this process on patient clinical outcomes?



Total does not equal 100% due to rounding.

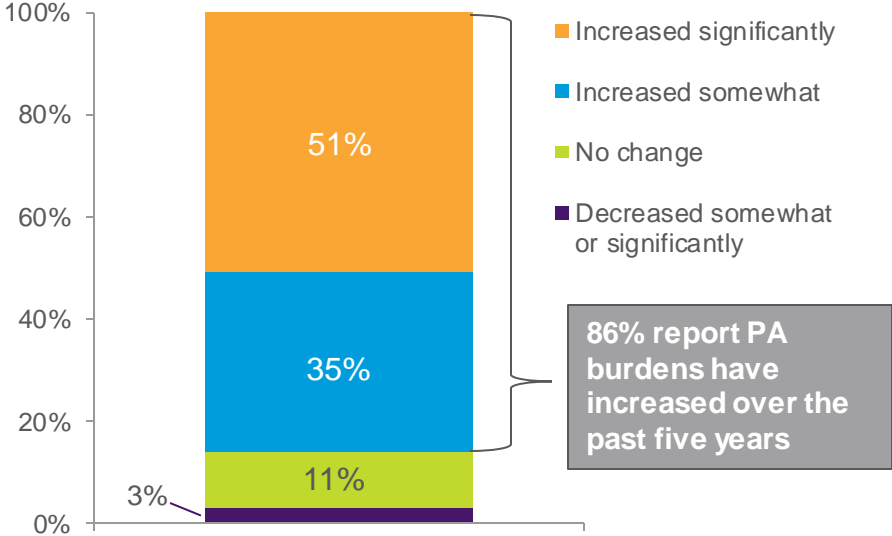
Physician Perspective on PA Burdens

Question: How would you describe the burden associated with PA for the physicians and staff in your practice?



Change in PA Burden Over the Last 5 Years

Question: How has the burden associated with PA changed over the last five years for the physicians and staff in your practice?



Additional PA Practice Burden Findings

- **Volume**

- **29.1 average total PAs** per physician per week*
 - 13.9 average prescription PAs per week
 - 15.1 average medical services PAs per week

- **Time**

- Average of **14.6 hours** (approximately two business days) spent each week by the physician/staff to complete this PA workload

- **Practice resources**

- **34%** of physicians have staff who work exclusively on PA

*Total PAs per week rounded after combining prescription and medical services PAs.



Grassroots Prior Authorization Stories

New AMA Grassroots Website: **FixPriorAuth.org**

Prior authorization hurts patients and physicians. It's time to **#FixPriorAuth.**

Click below to discover how prior authorization affects you.



I am a patient



I am a physician

- Physician and patient tracks
- Social media campaign drives site traffic and conversation
- Call to action: Share your story
- Most impactful stories collected in site gallery

Your prior authorization stories matter

See how patients

share their experience with the prior authorization process.



"The authorization was refused so I appealed. It was refused again, even though I pointed to the agent on the other side of the line that the patient met the criteria."

– Dr. Sussana L.

[Read More >](#)

My daughter had ALS. Her doctor ordered a PET scan of her brain. The appointment was set, medical transportation was set, co-pay paid. The day before the test the hospital called to say the prior authorization had not been received. My daughter passed away the day before we were supposed to go for the rescheduled test.

– Kathy M.

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"The day before the test the hospital called to say the prior authorization had not been received. My daughter passed away the day before we were supposed to go for the rescheduled test."

– Kathy M.

[Read More >](#)

A healthcare professional, likely a nurse or doctor, is shown from the chest down, wearing blue scrubs and a stethoscope. They are holding a tablet computer with both hands, looking at the screen. The background is a clinical setting with a patient bed and some papers. The entire image has a purple tint.

Prior Authorization Reform: Principles and Consensus Statement

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

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| <p>American Medical Association</p> <p>American Academy of Child and Adolescent Psychiatry</p> <p>American Academy of Dermatology</p> <p>American Academy of Family Physicians</p> <p>American College of Cardiology</p> <p>American College of Rheumatology</p> <p>American Hospital Association</p> <p>American Pharmacists Association</p> <p>American Society of Clinical Oncology</p> <p>Arthritis Foundation</p> <p>Colorado Medical Society</p> <p>Medical Group Management Association</p> <p>Medical Society of the State of New York</p> <p>Minnesota Medical Association</p> <p>North Carolina Medical Society</p> <p>Ohio State Medical Association</p> <p>Washington State Medical Association</p> | <h2>Prior Authorization and Utilization Management Reform Principles</h2> <p>Patient-centered care has emerged as a major common goal across the health care industry. By empowering patients to play an active role in their care and assume a pivotal role in developing an individualized treatment plan to meet their health care needs, this care model can increase patients' satisfaction with provided services and ultimately improve treatment quality and outcomes.</p> <p>Yet despite these clear advantages to adopting patient-centered care, health care providers and patients often face significant obstacles in putting this concept into practice. Utilization management programs, such as prior authorization and step therapy, can create significant barriers for patients by delaying the start or continuation of necessary treatment and negatively affecting patient health outcomes. The very manual, time-consuming processes used in these programs burden providers (physician practices, pharmacies and hospitals) and divert valuable resources away from direct patient care. However, health plans and benefit managers contend that utilization management programs are employed to control costs and ensure appropriate treatment.</p> <p>Recognizing the investment that the health insurance industry will continue to place in these programs, a multi-stakeholder group representing patients, physicians, hospitals and pharmacists (see organizations listed in left column) has developed the following principles on utilization management programs to reduce the negative impact they have on patients, providers and the health care system. This group strongly urges health plans, benefit managers and any other party conducting utilization management ("utilization review entities"), as well as accreditation organizations, to apply the following principles to utilization management programs for both medical and pharmacy benefits. We believe adherence to these principles will ensure that patients have timely access to treatment and reduce administrative costs to the health care system.</p> |
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Prior Authorization Reform Workgroup

- 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

Over 100 additional organizations have signed on as supporters of the Workgroup efforts following the January 2017 release of the Principles.

PA Principles and Electronic Prior Authorization

Principle #12

A utilization review entity requiring health care providers to adhere to prior authorization protocols should accept and respond to prior authorization and step-therapy override requests ***exclusively through secure electronic transmissions using the standard electronic transactions for pharmacy and medical services benefits***. Facsimile, proprietary payer web-based portals, telephone discussions and nonstandard electronic forms shall not be considered electronic transmissions.

Outreach Targets for Principles

- **Utilization management entities**
 - Health plans
 - Benefit managers
- **State legislators/regulators**
- **Health plan accrediting bodies**
 - URAC
 - NCQA
- **Standards organizations**
- **Media**



Consensus Statement on Improving the Prior Authorization Process

- Released in January 2018 by the AMA, AHA, AHIP, APhA, BCBSA, and MGMA
- Five “buckets” addressed:
 - Selective requirements to reduce volume of providers subject to PA
 - Regular review of services/ drugs requiring authorization
 - Improved transparency and communication
 - Protections for continuity of care
 - Automation to improve efficiency and transparency



Consensus: Automation to Improve Transparency and Efficiency

Agreement 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*



AMA Resources and Links

AMA Prior Authorization Weblinks

- AMA Prior Authorization Resources: www.ama-assn.org/prior-auth
- AMA Prior Authorization Grassroots Advocacy: FixPriorAuth.org



Questions



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