

2022 KEY LEGISLATIVE ISSUE

ADDRESS BURDENSOME PRIOR AUTHORIZATION REQUIREMENTS

PROBLEM: Over the years, there has been increased focus on patient-centered care across the health care industry. Empowering patients to play a greater role in their health care decisions can ultimately improve treatment quality and outcomes and lead to better patient satisfaction. Yet despite these benefits, health care providers and patients often face significant barriers using utilization management techniques, such as prior authorization. Prior authorization is a cost-control process requiring health care providers to qualify for payment by obtaining approval from carriers before performing a service. MedChi, along with the American Medical Association (AMA), believes that carriers are overusing prior authorization, creating significant barriers for patients by delaying the start or continuation of necessary treatment and negatively affecting patient health outcomes.

BACKGROUND: To reduce administrative burdens caused by prior authorization and promote access to safe, timely care, the AMA, the American Hospital Association, America's Health Insurance Plans, American Pharmacists Association, Blue Cross Blue Shield Association and Medical Group Management Association developed the "Consensus Statement on Improving the Prior Authorization Process" in January 2018. The statement focused on promoting greater selectivity of the prior authorization application, prior authorization review and volume adjustment, transparency and communication and continuity of patient care. However, in December 2020, the AMA surveyed 1,000 practicing physicians regarding their experience with prior authorization. The survey results align with the frustration shared by MedChi members and reveal that prior authorization still poses significant challenges for both physicians and patients at a time when our health care system faces unprecedented strains from the COVID-19 public health emergency. Moreover, the survey results show that although the consensus statement was released nearly three years, health plans have yet to widely implement these reforms. For example, eighty-seven percent of physicians report that prior authorization interferes with continuity of care. In addition, another AMA survey found that practices completed forty prior authorizations per physician each week, consuming two full business days of administrative work.

SOLUTION: Support legislation that will streamline or eliminate the need for prior authorization under certain circumstances, such as psychiatry. Continue to work with the physician community and others to eliminate the burden and care delays caused by prior authorization, especially given the fact that the vast majority of prior authorization requests are ultimately approved.

WHAT TO DO: Call/write/e-mail members of the Senate Finance Committee and the House Health and Government Operations Committee and ask them for their support for revising the prior authorization process. Contact MedChi for legislative contact information at 1-800-492-1056.