



The Maryland State Medical Society

Prior Authorization: Impact on Patient Care in Maryland

A Survey of the Members of The Maryland State Medical Society

July 20, 2011

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A Survey of the Members of MedChi, The Maryland State Medical Society

Survey Overview:

In July 2011, MedChi, The Maryland State Medical Society, issued a survey entitled *Prior Authorization: Impact on Patient Care in Maryland* to (a) measure physician experiences with current insurer-mandated prior authorization protocols, and (b) measure perceptions about how the ability to file prior authorizations electronically – through electronic prescribing platforms – might impact the practice of medicine and patient care in Maryland.

Issue Background: Prior Authorization – Today’s Climate of Chaos

Prior authorization – also known as pre-certification and prior notification – is an extra set of steps many Maryland insurance companies require before determining if they will pay for a prescription medication or medical service.

Currently, prior authorization is primarily paper-based, and it is not standardized. Each insurance carrier has its own set of requirements, which can vary among plans, even within the same carrier's portfolio of coverage options. To meet prior authorization requirements physicians must complete a time-consuming series of faxes, phone calls, emails, input of data into insurance carrier Web sites and even letters.

Physicians must cover the staggering administrative costs associated with meeting such requirements. In the 2010 MedChi *Insurance Protocols* survey, just over 70 percent of respondents said hidden administrative costs associated with payer requirements such as prior authorization had a “*significant to crippling*” impact on their practices.

Because there is no uniformity among payers about which medications or services require prior authorization, physicians and their staff often contact payers to obtain prior authorization even when it is not necessary. In a 2010 survey of 2,400 members of the American Medical Association, 64% of physicians surveyed said it was difficult for them to know which tests and procedures require prior authorization. The 2010 MedChi *Insurance Protocols* survey showed similar results with 58.3% of physician respondents saying they are only “*sometimes*” or “*rarely*” aware of current prior authorization requirements for medical services and medications.

Even worse, according to MedChi members, prior authorization also creates unnecessary, potentially dangerous delays in patient care. Too often patients are forced to wait days for insurers to issue approvals, and weeks or months to

resolve denials. Inconvenient for everyone, prior authorization practices are particularly discriminatory toward individuals with chronic illnesses or limited resources. In the 2010 MedChi *Insurance Protocols* survey, nearly 60% of respondents said payers “*frequently*” delay or deny patient care; an additional 34.4% said payers delayed or denied care “*occasionally*.” Arguably, even occasionally is too often if you are the patient involved in such a transaction.

Finally, according to MedChi members, the environment of administrative chaos created by prior authorization is eroding physician job satisfaction in Maryland. In fact, nearly 77% of MedChi members responding to the 2010 *Insurance Protocols* survey said they had seriously considered one or more of the following measures to avoid or minimize administrative tasks associated with payer requirements such as prior authorization: *Moving their practice to another state; retiring early; leaving the profession; re-establishing their practice as fee-for-service only.*

Survey Methodology:

MedChi used a web-based survey tool to distribute a 20-question survey to a cross section of its membership base. MedChi is comprised of physicians from every specialty. The survey was issued to 3,966 members and received 249 responses, a response rate of 6%. Just over 17% of respondents were internists; 14.3% were family physicians; 9.1% were psychiatrists. The remaining respondents represented specialties including orthopedic surgeons, general surgeons, gynecologists, dermatologists, cardiologists, neurologists and others.

This survey augments a 2010 MedChi survey entitled ***Impact of Patient Health Insurance Protocols on the Maryland Physician’s Ability to Provide Care.***

Survey Findings: Prior Authorization – Impact on Patient Care

This survey supports findings from the 2010 MedChi *Insurance Protocols* survey, which took a broader look at insurance protocols including prior authorization. Both surveys found that prior authorization is interfering with patient care and consuming already limited staff resources. Nearly 86% of MedChi members responding to this survey say prior authorization interrupts patient care, and about 80% report that their practices spend up to 20 hours per week on administrative tasks solely associated with processing prior authorizations. One physician estimated that each prior authorization takes approximately one hour of staff and physician time.

When asked how their practices might change if payers were required to electronically adjudicate prior authorizations, 69.4% said it would allow them to spend more time on patient care. More specifically, nearly 63% said it would

improve their ability to care for patients since formulary information and criteria would be available at point-of-service; and 61.2% said it would improve patient care by expediting patient access to medical services and medications. In addition, 56.9% said it would reduce the practice's administrative costs, and 58.6% said it would improve professional satisfaction. One physician quipped that electronic adjudication of prior authorizations might allow him to go home from work earlier – a revealing comment in an era when Maryland physician job satisfaction is at all-time low, and the state is simultaneously experiencing a significant physician shortage.

In order to electronically file prior authorizations, physicians must have access to electronic prescribing. While nearly 60% of respondents report having access to electronic prescribing (with 34% using it “*always*,” and almost 28% using it “*often*”), 84.4% report that their current electronic prescribing systems do not include the capability to process prior authorizations electronically.

Among respondents with the ability to electronically process prior authorizations, the following factors interfere with their ability to successfully utilize it: *lack of transparency in prior authorization criteria* (47.8%); *insurance carriers have failed to “upload” patient formulary information about prior authorization requirements* (39.1%); and *information regarding prior authorization is outdated* (30.4%). Just over 20% said “*system failure*” interfered with the electronic prior authorization process.

Furthermore, when asked how often prior authorization criteria are made available to them during electronic prescribing transactions, almost 40% said “*never*”; 31.6% said “*rarely*,” and 18.8% said only “*sometimes*.”

Perhaps not surprisingly, 47.8% of respondents are “*very*” or “*extremely*” concerned that insurance carriers will leverage electronic prescribing platforms to “interfere with the physician’s ability to make the most appropriate treatment decisions for individual patients on a case-by-case basis.” An additional 39.2% are “*somewhat*” concerned.

Of note to policymakers, 89.6% of respondents said that without proper regulation, they think electronic prescribing platforms could provide an opportunity for insurers to interfere with patient care. Ninety-three percent said there should be enforceable legislation to regulate insurer protocols such as prior authorization. In an open-ended question, some physicians called for the elimination of prior authorization altogether. One pointed out that he would gladly take cost into consideration when prescribing medications if that information were available to him at point-of-service, allowing him to work with individual patients to make the most appropriate treatment decisions based on costs and other factors.

Looking ahead, nearly 89% of respondents agreed that electronic prescribing systems should also have the ability to electronically process prior authorizations; and 64.2% said they would be more likely to adopt an electronic prescribing system if it also had the ability to expedite prior authorizations.

Conclusions:

Electronic prior authorization has the potential to benefit Maryland patients, but only if payers are (a) not allowed to leverage technology to create new barriers to patient care, and (b) held accountable for the information they make available to physicians through electronic prescribing systems.

As such, electronic prescribing systems should be provided through neutral and open platforms that do not advance the commercial interests of any particular participant (e.g., health insurers, hospitals, pharmacy benefits managers, pharmaceutical companies, etc.).

As Maryland presses forward into the electronic age of patient care, policymakers have an opportunity to take measures to streamline, standardize and expedite the prior authorization process for patients and their providers by ensuring that:

- Physicians retain the ultimate responsibility for patient treatment decisions regarding all medical issues, including what services and medications are most appropriate for individual patients on a case-by-case basis;
- All electronic prescribing platforms include the capability to process prior authorizations electronically;
- Electronic prior authorization requirements are streamlined and standardized;
- Adjudication of prior authorization requests occurs within a reasonable time frame (hours as opposed to days or weeks);
- Payers provide real-time, up-to-date access to information regarding prior authorization criteria;
- Electronic prescribing platforms include access to information about all FDA-approved medications and medical services without restrictions; and
- Electronic prescribing platforms include easy, obvious mechanisms through which physicians can over-ride payer protocols such as fail first requirements when the physician determines they are not in the best interest of the patient.

Meanwhile, during this time of transition, as Maryland patients wait for electronic systems to be fully integrated, policymakers should recognize the need for the standardization of current, chaotic prior authorization processes by implementing a universal prior authorization form, such as those already in use by Maryland Medicaid and the state of Minnesota.

NOTE: MedChi (pronounced med-kī), is a non-profit organization governed by a Board of Trustees. The Mission of MedChi, The Maryland State Medical Society, is to serve as Maryland's foremost advocate and resource for physicians, their patients and the public health. MedChi shall work to:

- * Promote medical science and knowledge,
- * Enhance the physician-patient relationship,
- * Achieve the highest standards for medical education and medical ethics,
- * Promote physician collegiality, and
- * Secure universal access to health care.

Prior Authorization Protocols: Impact on Patient Care





1. On average, how many hours per week is your practice required to obtain prior authorization / pre-certification for medications or medical services/procedures?

		Response Percent	Response Count
0-10 hours		51.6%	127
11-20 hours		29.3%	72
21-30 hours		5.7%	14
31-40 hours		4.9%	12
41+ hours		6.1%	15
Never		2.4%	6
answered question			246
skipped question			3






2. Does the prior authorization / pre-certification process interrupt patient care?

		Response Percent	Response Count
Yes		85.8%	211
No		14.2%	35
answered question			246
skipped question			3





3. Do you have access to electronic prescribing (can you electronically send your prescriptions to the pharmacy)?

		Response Percent	Response Count
Yes		59.0%	144
No		41.0%	100
answered question			244
skipped question			5

4. How often do you utilize electronic prescribing?

		Response Percent	Response Count
Never		2.7%	4
Rarely		12.2%	18
Sometimes		23.1%	34
Often		27.9%	41
Always		34.0%	50
answered question			147
skipped question			102

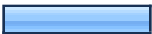





5. Does the electronic prescribing system you use include the capability to file prior authorizations / pre-certifications electronically?

		Response Percent	Response Count
Yes		2.8%	4
Yes, but the process doesn't function optimally		5.0%	7
Yes, but I do not use this function		7.8%	11
No, the system I use does not include this function		84.4%	119
answered question			141
skipped question			108






6. If you have access to -- but do not use -- electronic prior authorization, please tell us why.

	Response Count
	11
answered question	11
skipped question	238



7. In your experience, what factors interfere with your ability to obtain electronic prior authorization or pre-certification (check all that apply):

		Response Percent	Response Count
Software / system failure		21.7%	5
Outdated Information regarding prior authorization / pre-certification		30.4%	7
Insurance carriers have not "uploaded" patient formulary information about prior authorization / pre-certification requirements onto the electronic prescribing system		39.1%	9
Lack of transparency in prior authorization criteria (information provided is insufficient for determining whether prior authorization / pre-certification are required)		47.8%	11
I have encountered no interference		13.0%	3
Other (please explain)		21.7%	5
answered question			23
skipped question			226

8. When electronically transmitting a prescription or ordering a procedure, how often are insurer criteria regarding prior authorization or pre-certification requirements immediately available to you?

		Response Percent	Response Count
Always		3.0%	4
Often		6.8%	9
Sometimes		18.8%	25
Rarely		31.6%	42
Never		39.8%	53
answered question			133
skipped question			116








9. Do you agree that electronic prescribing systems should have the ability to expedite prior-authorizations and pre-certifications?

		Response Percent	Response Count
Agree		88.6%	202
Disagree		11.4%	26
answered question			228
skipped question			21





10. If an electronic prescribing system had the ability to expedite prior-authorizations and pre-certifications, would you be more or less likely to adopt it?

		Response Percent	Response Count
More likely		64.2%	149
Less likely		0.4%	1
Would not make a difference		19.0%	44
Does not apply; my practice has already adopted electronic prescribing		16.4%	38
		answered question	232
		skipped question	17



11. In your opinion, how would requiring insurers to electronically adjudicate prior authorization change your practice? (Select all that apply.)

		Response Percent	Response Count
It would enable me (and my staff) to spend more time on patient care		69.4%	161
It would improve my ability to care for my patients (since formulary information and criteria would be available at point-of-service)		62.9%	146
It would improve patient care (by expediting my patients' access to medical services and medications)		61.2%	142
It would reduce my practice's administrative costs (associated with insurance protocol compliance)		56.9%	132
It would improve my professional satisfaction (by allowing me to focus more on patient care, and less on administrative tasks associated with insurance protocols)		58.6%	136
It would not change my practice		9.1%	21
Other (please explain)		10.8%	25
answered question			232
skipped question			17



12. How concerned are you that insurance companies will use electronic prescribing platforms to interfere with your ability to make the most appropriate treatment decisions for individual patients on a case-by-case basis?

		Response Percent	Response Count
Not concerned		12.9%	30
Somewhat concerned		39.2%	91
Very concerned		25.4%	59
Extremely concerned		22.4%	52
answered question			232
skipped question			17

13. If not properly regulated, do you think electronic prescribing platforms could provide an opportunity for insurers to interfere with patient care?

		Response Percent	Response Count
Yes		89.6%	206
No		10.4%	24
answered question			230
skipped question			19


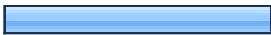
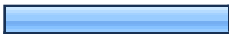
14. Do you agree or disagree with this statement: “There should be enforceable legislation to regulate insurance company protocols such as prior authorization / pre-certification and ‘fail first’ (step therapy).”

		Response Percent	Response Count
Agree		93.0%	212
Disagree		7.0%	16
answered question			228
skipped question			21




15. Do you have other thoughts that you would like to share?

	Response Count
	48
answered question	48
skipped question	201



16. What is your opinion of the American Medical Association?

		Response Percent	Response Count
Favorable		26.3%	61
Neutral		40.1%	93
Unfavorable		33.6%	78
answered question			232
skipped question			17

17. What is your opinion of MedChi, the Maryland State Medical Society?

		Response Percent	Response Count
Favorable		86.6%	201
Neutral		12.9%	30
Unfavorable		0.4%	1
answered question			232
skipped question			17

18. Would you be willing to share your experiences with electronic prescribing and insurance protocols with others, including policymakers or media?

		Response Percent	Response Count
Yes		42.7%	97
No		57.3%	130
answered question			227
skipped question			22

19. Please provide your contact information. (All contact information will be kept confidential. It will be used only to follow up as necessary for clarification, and/or if you expressed an interest in sharing your experiences with others. It will not be shared with others without your permission.)

	Response Count
	56
answered question	56
skipped question	193

20. Please indicate your medical specialty.

		Response Percent	Response Count
Allergy / Immunology		1.3%	3
Cardiology		3.5%	8
Critical care medicine		0.0%	0
Dermatology		4.3%	10
Emergency medicine		2.2%	5
Endocrinology		0.4%	1
Family medicine		14.3%	33
Gastroenterology		3.0%	7
General practice		0.9%	2
General surgery		3.5%	8
Gynecology		1.7%	4
Hematology		0.0%	0
Immunology		0.0%	0
Infectious disease		0.0%	0
Internal medicine		17.4%	40
Nephrology		0.9%	2
Neurology		3.5%	8
Obstetrics		0.0%	0
Obstetrics, gynecology		3.9%	9
Oncology		0.9%	2
Orthopedic surgery		5.7%	13
Ortho. (foot & ankle)		0.4%	1
Pediatrics		3.9%	9

Psychiatry	<input type="checkbox"/>	9.1%	21
Pulmonary medicine	<input type="checkbox"/>	2.2%	5
Radiology	<input type="checkbox"/>	0.9%	2
Surgery	<input type="checkbox"/>	3.0%	7
Urology	<input type="checkbox"/>	2.2%	5
Vascular medicine		0.0%	0
Other (please specify)	<input type="checkbox"/>	10.9%	25
answered question			230
skipped question			19