



# Industry checkup: Measuring progress in improving prior authorization

Prior authorization (PA) is a process requiring health care providers (physicians, pharmacists, medical groups and hospitals) to obtain advance approval from health plans before a prescription medication or medical service is delivered to the patient. While health plans and benefit managers contend that PA programs are important to control costs, providers often find these programs to be burdensome and barriers to the delivery of necessary patient care.

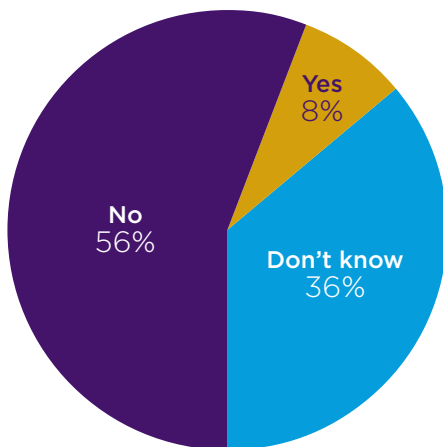
To reduce administrative burdens and promote access to safe, timely care, the American Medical Association, along with the American Hospital Association, America’s Health Insurance Plans, American Pharmacists Association, Blue Cross Blue Shield Association and Medical Group Management Association, released the “**Consensus Statement on Improving the Prior Authorization Process**”<sup>1</sup> (CS) in January 2018. The CS reflects agreement between health care providers and health plans on key reforms needed to reduce PA hassles and enhance patient-centered care.

In December 2018, the AMA surveyed 1,000 practicing physicians regarding their experience with PA.<sup>2</sup> The survey revealed that PA still poses significant challenges for both physicians and patients. Moreover, the survey results show that many of the PA reforms agreed to in the CS have yet to be widely implemented by health plans, as detailed in the following charts.

## Selective application of PA

**CS agreement** Encourage the use of programs that selectively implement PA requirements based on stratification of health care providers’ performance and adherence to evidence-based medicine.

**Survey** Only **8%** of physicians report contracting with health plans that offer programs that exempt providers from PA.

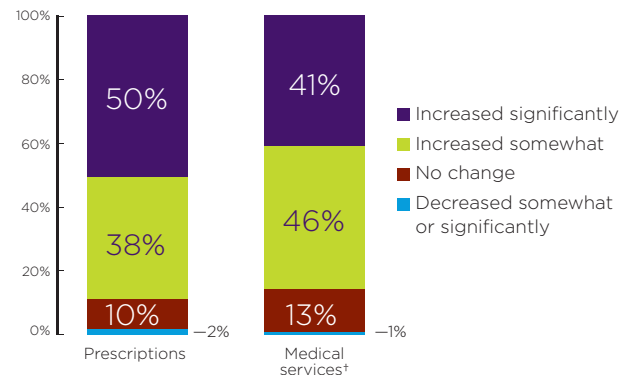


**Q:** Do any of the health plans with which you contract offer programs that exempt physicians from PA requirements?

## PA program review and volume adjustment

**CS agreement** Encourage revision of PA requirements, including the list of services subject to PA, based on data analytics and up-to-date clinical criteria.

**Survey** A strong majority (**88% and 86%,\*** respectively) of physicians report that the number of PAs required for prescription medications and medical services has increased over the last five years.



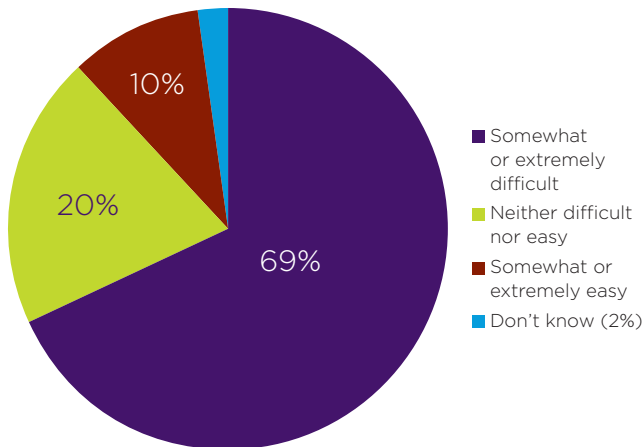
\* Subtotal sums to 86% due to rounding.  
<sup>†</sup> Total does not sum to 100% due to rounding.

**Q:** How has the number of PAs required for prescription medications/medical services used in your patients’ treatment changed over the last five years?

## Transparency and communication regarding PA

**CS agreement** Encourage transparency and easy accessibility of PA requirements, criteria, rationale and program changes to contracted health care providers and patients/enrollees.

**Survey** Almost seven in 10 (**69%**) physicians report that it is difficult to determine whether a prescription or medical service requires PA.



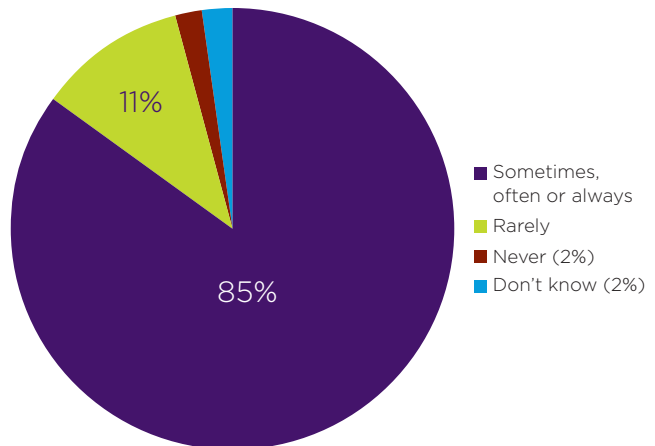
Total does not sum to 100% due to rounding.

**Q:** How difficult is it for you and/or your staff to determine whether a prescription medication or medical service requires PA?

## Continuity of patient care

**CS agreement** Encourage sufficient protections for continuity of care during a transition period for patients undergoing an active course of treatment when there is a formulary or treatment coverage change or change of health plan that may disrupt their current course of treatment.

**Survey** An overwhelming majority (**85%**) of physicians report that PA interferes with continuity of care.



**Q:** How often does the PA process interfere with the continuity of ongoing care (e.g., missed doses, interruptions in chronic treatment)?

## Automation to improve transparency and efficiency

**CS agreement** Encourage health care providers, health systems, health plans and pharmacy benefit managers to accelerate use of existing national standard transactions for electronic PA.

**Survey** Physicians report **phone and fax** as the most commonly used methods for completing PAs. Moreover, only **21%** of physicians report that their EHR\* system offers electronic PA for prescription medications.

| Method             | Prescription PAs<br>(% use always or often) | Medical service PAs<br>(% use always or often) |
|--------------------|---|--|
| Phone              | 60%   | 61%  |
| Fax                | 46%   | 47%  |
| EHR/PMS*           | 40%   | 23%  |
| Plan portal        | 31%   | 27%  |
| Email or U.S. mail | 15%   | 17%  |

\* EHR = electronic health record; PMS = practice management system.

**Q:** Please indicate how often you and/or your staff use each of the following methods to complete PAs for prescription medications/medical services.

To join the AMA's grassroots PA reform campaign and sign a petition to Congress, visit **[fixpriorauth.org](http://fixpriorauth.org)**.

### References

1. *Consensus Statement on Improving the Prior Authorization Process* available at: [www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/public/arc-public/prior-authorization-consensus-statement.pdf](http://www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/public/arc-public/prior-authorization-consensus-statement.pdf).
2. *2018 AMA Prior Authorization Physician Survey* available at: [www.ama-assn.org/system/files/2019-02/prior-auth-2018.pdf](http://www.ama-assn.org/system/files/2019-02/prior-auth-2018.pdf).

