

Health Care Coalition Calls for Prior Authorization Reform

CHICAGO - Responding to unreasonable hurdles for patients seeking care, a coalition including the American Medical Association (AMA) and 16 other health care organizations today urged health plans, benefit managers and others to reform prior authorization requirements imposed on medical tests, procedures, devices and drugs.

The coalition, which represents hospitals, medical groups, patients, pharmacists and physicians, says that requiring pre-approval by insurers before patients can get certain drugs or treatments can delay or interrupt medical services, divert significant resources from patient care and complicate medical decisions. Concerns that aggressive prior authorization programs place cost savings ahead of optimal care have led Delaware, Ohio and Virginia to recently join other states in passing strong patient protection legislation.

Given the potential barriers that prior authorization can pose to patient-centered care, the coalition is urging an industry-wide reassessment of these programs to align with a newly created set of [21 principles](#). Prior authorization programs could be improved by applying the principles' common-sense concepts grouped in five broad categories:

- Clinical validity,
- Continuity of care,
- Transparency and fairness,
- Timely access and administrative efficiency, and
- Alternatives and exemptions.

'Strict or bureaucratic oversight programs for drug or medical treatments have delayed access to necessary care, wasted limited health care resources and antagonized patients and physicians alike,' said AMA President Andrew W. Gurman, M.D. 'The AMA joins the other coalition organizations in urging health insurers and others to apply the reform principles and streamline requirements, lengthy assessments and inconsistent rules in current prior authorization programs.'

The data entry and administrative tasks associated with prior authorization reduce time available for patients. According to a new AMA survey, every week a medical practice completes an average of 37 prior authorization requirements per physician, which takes a physician and their staff an average of 16 hours, or the equivalent of two business days, to process.

The AMA survey illustrates that physician concerns with the undue burdens of preauthorizing medical care have reached a critical level. Highlights from the AMA survey include:

- Seventy-five percent of surveyed physicians described prior authorization burdens as high or extremely high.
- More than a third of surveyed physicians reported having staff who work exclusively on prior authorization.
- Nearly 60 percent of surveyed physicians reported that their practices wait, on average, at least 1 business day for prior authorization decisions-and more than 25 percent of physicians said they wait 3 business days or longer.
- Nearly 90 percent of surveyed physicians reported that prior authorization sometimes, often, or always delays access to care.

The AMA survey findings indicate there is a real opportunity to improve the patient experience while significantly reducing administrative burdens for both payers and physicians by reforming prior authorization and utilization management programs.

The AMA and other coalition organizations welcome the opportunity to work collaboratively with health plans and others to create a partnership that lays the foundation for a more efficient prior authorization process. In addition to the AMA, the coalition includes the: 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 and Washington State Medical Association.

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About the American Medical Association

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