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Prior Authorization & the AMA's Push for Reform

Dr. Turck:
Prior authorization is a cost control process that requires clinicians to obtain a health plan's approval before a specific service or medication is provided, in order for patients to qualify for payment coverage. And while it can help ensure appropriate utilization of medical services and drugs, this process can be a burden on clinicians, and lead to delayed treatment for patients. So, what are some of the recent developments being made to help reform this process?

This is *Perspectives with the AMA* on ReachMD. I'm Dr. Charles Turck, and joining me to discuss how the American Medical Association is addressing prior authorization in healthcare are Emily Carroll, Heather McComas, and Chris Sherin. Emily Carroll is the senior legislative attorney for the American Medical Association's Advocacy Resource Center. Ms. Carroll, it's great to have you with us.

Ms. Carroll:
Thanks so much for having me.

Dr. Turck:
Our next guest is Heather McComas, who's the Director of the American Medical Association's Administrative Simplification Initiatives Division. Ms. McComas, welcome to you.

Ms. McComas:
Hi there. Thanks so much for having me.

Dr. Turck:
And last, but not least, Chris Sherin is the Assistant Director of Congressional Affairs at the American Medical Association. Thanks so much for joining us today, Mr. Sherin.

Mr. Sherin:
Thanks for having me. Pleasure to be here.

Dr. Turck:
To start us off, Ms. McComas, let's take a look at some of the research that's been conducted on prior authorization for the AMA. What does this research show regarding the impact of prior authorization on patients and physician practices?

Ms. McComas:
AMA's research on prior authorization shows that this process has a significant impact on both physician practices and patients. The AMA conducted a survey of a thousand practicing physicians in December of 2020, and the overwhelming majority of surveyed physicians – 94 percent – reported that prior authorization can delay patients' access to medically necessary treatment, and that those treatment delays actually translate into real impacts on patients and their health. 79 percent of physicians reported that patients may abandon treatment because of prior authorization, and 90 percent of physicians said that prior authorization can lead to negative clinical outcomes for their patients. I think one of the most alarming things about the survey's results was that almost one-third—30 percent—of physicians reported that prior authorization has led to a serious adverse event, so that would be something like hospitalization, permanent injury or even death for a patient in their care. That's obviously a really frightening statistic for all of us to think about. And beyond just those negative impacts on patients, physicians reported that prior authorization also has a major impact on practice burdens. Practices in our survey reported completing an average of 40 prior authorizations per physician per week, and that workload for just a single physician requires two business days of physician and staff time to complete all of that work. So, we're talking about a

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significant administrative waste in our healthcare system.

Dr. Turck:
Staying with you for another moment Ms. McComas, I'd like to focus on the consensus agreement the AMA issued a few years ago with national health plan associates. Can you give us a little background on this agreement, and then tell us what progress has been made on improving prior authorization since then?

Ms. McComas:
Sure thing. So, in early 2018, the AMA and other national provider organizations joined with trade associations representing insurers - America's Health Insurance Plans and Blue Cross Blue Shield Association - in releasing the Consensus Statement on Improving the Prior Authorization Process. And this was really a significant development on this issue because it was the first time that providers and health plans were coming together and agreeing that prior authorization really needs to be reformed and improved. It had gotten out of control. And in this document, the plan representatives and the health care professionals agreed that there were some key areas that needed to be improved on this process, things like reducing the overall volume of prior authorizations, improving transparency and communication regarding prior authorizations, ensuring that patients' continuity of care is not interrupted when they change health plans and prior authorization requirements are involved, and also automating the process to improve efficiency and transparency.

The agreement was released over three and a half years ago, and unfortunately, there has not been much progress since that time. In the same survey that I referenced earlier, that we conducted of practicing physicians in December of 2020, we asked some questions about physicians' perceptions of the implementation of these agreed-upon reforms, and unfortunately, physicians really haven't seen much progress.

Dr. Turck:
So with that background in mind, Ms. Carroll, let's turn to you now. If we focus on state legislation regarding prior authorization, what's the current landscape like?

Ms. Carroll:
Thanks so much. So, state legislation has been a focus for our advocacy group for quite some time and we've had some good success. We have a model bill that we developed with our Counsel on Legislation which is made up of physician leaders who have a passion and experience in legislation and regulation. And we offer that bill to state medical societies, and we offer related resources, such as issue briefs, and some of the great data that Heather's group has done that she just spoke of. Our current model legislation includes many of the concepts addressed in some of the principles and consensus statements that Heather mentioned as well such as turnaround time on prior authorizations and appeals, qualifications of the people doing the approvals and denials, length of prior authorizations - how long they can last, when an insurer can deny coverage after an approval and prohibiting prior authorization repeatedly for folks with chronic conditions. We're really trying to get at the inappropriateness of payers practicing medicine, and the burden of the process and the volume. We also have some provisions in our model bill that have been enacted in a bunch of states that try to give us a better picture of the prior authorization landscape as well. And with those provisions we're trying to require payers to report what services and drugs are being targeted, the wait times, the denials and appeals and kind of approvals upon appeals, so we can get a better sense of what's really going on. Sometimes we kind of feel like the prior authorization landscape is a bit of a black box. Every year, there are numerous prior authorization related bills in the states, ranging from some of the broad reforms that are included in our model bill to very narrow changes, such as removing prior authorizations for specific services, like ultrasounds or certain pharmaceuticals. The AMA really works with all the state medical associations and national specialty societies, and other stakeholders - really these are coalition efforts in the states to get these reforms passed.

This year, we had a couple of major reforms pass in states including Georgia, Illinois, and Texas, and we anticipate and hope next year we'll have several more major reform bills pass. All of these bills had some provisions that were included in that model bill that I mentioned and many more provisions. So our advocacy in this area continues to evolve.

Dr. Turck:
And as a quick follow-up to that, Ms. Carroll, when exactly did states recognize the need to address this issue?

Ms. Carroll:
Well, it's been many years, as long as I've been at the AMA, that states have been calling for reforms. I mentioned, it's sort of a fluid, evolving discussion. Years ago, our focus was on just getting a standard form to complete prior authorizations, but as automation developed and the efforts that Heather mentioned increased, the standard form kind of gave way to this idea of an electronic prior authorization process. Similarly, as we see more and more prior authorization requirements stacking up, with little relief, the focus is

shifting a bit towards the volume of prior authorizations, and we're seeing solutions like one we just saw in Texas passed that establishes what's referred to as a "gold carding" program. And that reduces the volume of prior authorizations for physicians with track records of high approvals of prior authorizations with plans. I'll also say that the need to address prior authorization I think has become more pressing for physician practices that are getting crushed by administrative requirements left and right and prior authorization is something that doesn't have to be happening, especially in the volume that it is happening, and in fact, is essentially harmful to patients. So, I think state legislatures are really recognizing that things have to change here.

Dr. Turck:
For those just tuning in, you're listening to *Perspectives with the AMA*, on ReachMD. I'm Dr. Charles Turck, and today I'm speaking with Emily Carroll, Heather McComas and Chris Sherin about the AMA's response to the impact of prior authorization on patient access to care. So, Mr. Sherin, now that Ms. Carroll has walked us through what's happening at the state level, let's talk about the federal level. Are there any bills in the works right now that resulted from the Fix Prior Auth campaign, and the consensus statement?

Mr. Sherin:
Yeah, thank you for the question, the Fix Prior Authorization campaign and the consensus statement was really the catalyst for trying to do something at the federal level, and if you take a step back and you think about it, when you have the American Medical Association, the American Hospital Association, AHIP, Blue Cross Blue Shield the pharmacists as well as MGMA, all working in the same direction on a particular policy, it really provides that credibility for federal lawmakers to try and tackle the issue, and as you heard from Emily, it was primarily dealt with on the state level. So, the bill that we have, and really the fruits of the labor of the consensus statement, and the Fix Prior Auth campaign is HR 3173. It's the Improving Seniors' Timely Access to Care Act. This bill was introduced last Congress and also this Congress. This Congress, the lead sponsors are Representative Suzan DelBene from Washington state, Mike Kelly from Pennsylvania, Ami Bera from California, and Larry Bucshon from Indiana. Representatives Bera and Bucshon are actually physicians, and to just put it in a nutshell in terms of what the bill tries to do, it tries to simplify, standardize and streamline prior authorization for items and services within the Medicare Advantage program. It doesn't touch on pharmaceuticals, but it very much matches many of the things that are in the consensus statement.

Dr. Turck:
And Mr. Sherin, what are the chances of this legislation becoming law?

Mr. Sherin:
I mean I think the chances are solid. I mentioned how the bill was introduced last Congress. And last Congress, we got 280 bipartisan cosponsors. And if you're not familiar with what a cosponsor means, it's essentially a member of Congress pledging that they're going to vote in favor of a bill before it comes to the floor, so it's a measure of how much bipartisan support you have. And you only need 218 yes votes to get a bill across the finish line in the House, obviously we did very well last Congress. This Congress, we have the bill introduced, and it was only introduced a few months ago and we're already above 170+ bipartisan cosponsors. There are a couple of caveats, though, that I want to put out there. AHIP is a formidable force and while they're onboard with our consensus statement, I think they have some reservations still about the legislation and that's something that we have to work with to overcome. And then, a lack of a Senate bill, and that really has nothing to do with prior authorization whatsoever, it has to deal with the events of January 6th. But I think overall, you're seeing some strong bipartisan support and over a two-year Congress, hopefully good things can happen and we can get it over the finish line.

Dr. Turck:
Now, before we close, I want to get a sense of the overall impact of these efforts to change prior authorization. Ms. Carroll, how will reforming this cost control process improve health care, for both patients and physicians?

Ms. Carroll:
Well, that's a great question. I think this is really about getting patients the care they need. The patient and physician work together to make decisions about the care that is appropriate for that patient, and then to have an insurer in there as the middleman dictating care, who is primarily focused on costs, really doesn't lend itself to the best care, and in fact, increases waste in the health care system. We're not asking for prior authorization to go away, but we are asking for it to be reduced and streamlined to decrease these delays in care, and all the harm that's associated with those delays and denials. That's where our reform efforts are focused, and we'll continue to work hard to push for that kind of change.

Dr. Turck:
Well, this has been a fascinating look at prior authorization from so many different angles, and I want to thank my guests for joining me to share their perspectives. Also, we encourage you to go to fixpriorauth.org to learn more about the AMA's efforts to improve the prior authorization process. Ms. Carroll, Ms. McComas and Mr. Sherin, it was great having you all on the program today.

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Ms. Carroll:
Thanks so much for the discussion and having us.

Ms. McComas:
Thanks so much. Great to be here.

Mr. Sherin:
Really appreciate the opportunity. Thank you again.

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