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Insurers Fail to Follow Through on Agreed-to Prior Authorization Reforms

AMA releases new survey results

A new [survey](#) from the American Medical Association (AMA) shows health insurers have yet to implement prior authorization process reforms they agreed to four years ago. As a result of what it calls “apathetic or ineffectual follow-through on mutually accepted reforms,” the AMA says that legislation is needed, since there has been a lack of progress on voluntary efforts.

The new survey builds upon a [prior work](#) which found a heavy administrative burden associated with the bureaucracy of prior authorization practices. On average, physician practices spend nearly two business days to complete an average of 41 prior authorizations per physician per week. Importantly, the surveys are showing the large amount of resources that are spent on insurer created practices that physicians say result in care delays and even can lead to patients abandoning needed treatment.

In 2018, organizations representing both providers (AMA, American Hospital Association, American Pharmacist Association and Medical Management Group Association) and health plans (Americans Health Insurance Plans and BlueCross BlueShield Association) agreed to a consensus statement to improve the prior authorization process.

The [consensus statement](#) included reforms such as: selectively applying prior authorization requirements; removing prior authorization requirements for drugs and services that show low denial rates; improving transparency and communication regarding requirements; minimizing repetitive requirements that disrupt continuity of care; and adopting electronic transactions.

The AMA surveyed more than 1,000 practicing physicians and found little progress on any of the consensus items. Key findings include:

- Only 9% of respondents were contracted with health plans that exempt certain physicians from prior authorization requirements.
- 85% of physicians reported the number of prior authorizations has increased over the last five years.
- Phone calls are still the most common method for completing prior authorizations, and 45% of respondents always or often use fax machines.
- 88% of respondents said prior authorization interferes with continuity of care.

The AMA survey comes on the heels of a recent federal Department of Health and Human Services Office of Inspector General report that found that Medicare Advantage insurers often inappropriately implement prior authorizations that delay care or deny medically necessary services. [The American Hospital Association last week sent letters](#) to the Centers for Medicare & Medicaid Services and federal Department of Justice asking those agencies to also take steps to remedy these practices.