

Prior Authorization

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NAIC Health Innovations (B) Working Group

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About AHIP

AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone.

Visit www.ahip.org to learn how working together, we are Guiding Greater Health.



Our Mission Statement

We are champions of care.
Health insurance providers, working together as one.
Making health care better and coverage more affordable
for every American.
Listening. And guiding the conversation on care.
We are advancing mental and physical health.
Always improving how and where we help others.
Harnessing the power of our collective expertise.
Turning healthy insights into helpful innovations.
All for the greater good.
So everyone can thrive in good health.
Together.
That's what care does.
AHIP
Guiding Greater Health



Consensus Statement on Improving the Prior Authorization Process

Our organizations represent health care providers (physicians, pharmacists, medical groups, and hospitals) and health plans. We have partnered to identify opportunities to improve the prior authorization process, with the goals of promoting safe, timely, and affordable access to evidence-based care for patients; enhancing efficiency; and reducing administrative burdens. The prior authorization process can be burdensome for all involved—health care providers, health plans, and patients. Yet, there is wide variation in medical practice and adherence to evidence-based treatment. Communication and collaboration can improve stakeholder understanding of the functions and challenges associated with prior authorization and lead to opportunities to improve the process, promote quality and affordable health care, and reduce unnecessary burdens.

The following five areas offer opportunities for improvement in prior authorization programs and processes that, once implemented, can achieve meaningful reform.

- 1. Selective Application of Prior Authorization.** Differentiating the application of prior authorization based on provider performance on quality measures and adherence to evidence-based medicine or other contractual agreements (i.e., risk-sharing arrangements) can be helpful in targeting prior authorization requirements where they are needed most and reducing the administrative burden on health care providers. Criteria for selective application of prior authorization requirements may include, for example, ordering/prescribing patterns that align with evidence-based guidelines and historically high prior authorization approval rates.

We agree to:

- *Encourage the use of programs that selectively implement prior authorization requirements based on stratification of health care providers' performance and adherence to evidence-based medicine*
- *Encourage (1) the development of criteria to select and maintain health care providers in these selective prior authorization programs with the input of contracted health care providers and/or provider organizations; and (2) making these criteria transparent and easily accessible to contracted providers*

2018 Consensus Statement

Stakeholders signing the [consensus statement](#) committed to work together to improve the prior authorization process.

Goals of the commitment:

- Promote safe, timely, and affordable access to evidence-based care
- Enhance efficiency
- Reduce administrative burdens

Recognized the prior authorization process can be burdensome for all involved but there is wide variation in medical practice and adherence to evidence-based treatment.

5 areas of opportunities for improvement to achieve meaningful reform:

- Selective application
- Program review and volume adjustment
- Transparency and communication
- Continuity of patient care
- Automation to improve transparency and efficiency

AHIP Initiatives

Fast PATH

In January 2020 AHIP worked with two technology partners and several member insurance providers to launch the Fast Prior Authorization Technology Highway (Fast PATH) initiative to better understand the impact of electronic prior authorization on improving the prior authorization process.

- [Fast PATH Webpage](#)
- [Fast PATH Results](#)
- [Final Report](#)
- [Peer-Reviewed JAPhA Article Highlights Results Fast PATH Initiative to Improve Prior Authorization](#)

- **Faster time to decision:** Median time between submitting a PA request and receiving a decision from the health plan was more than 3 times faster, falling from 18.7 hours to 5.7 hours – a reduction of 69%.
- **Faster time to patient care:** 71% of providers who used the technology for most or all of their patients (referred to as experienced users) reported that patients received care faster after providers implemented ePA.
- **Lower provider burden from phone calls and faxes:** 54% of experienced users reported fewer phone calls and 58% reported fewer faxes after implementation of ePA. 62% of experienced users reported less time spent on phone calls and 63% reported less time spent on faxes after implementation of ePA.
- **Improved information for providers:** 60% of experienced users said ePA made it easier to understand if PA was required.
- **Greatest benefit for experienced users:** The more frequently a provider used the technology solution, the bigger the benefit the provider experienced in reducing the burden and improving the ease of understanding PA information.

Clinical Appropriateness Measures Collaborative Project

In 2020-2021, AHIP launched a project with Dr. Martin Makary (Johns Hopkins Univ. School of Medicine) on a data-driven, collaborative approach to promote evidence-based care.

In this research, the team analyzed data using physician-led appropriateness measures based on consensus among specialists.

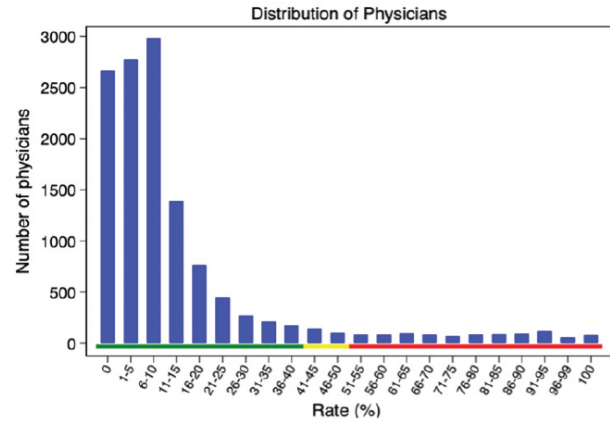
Physicians were then benchmarked to their peers, and data was shared at an individual physician level.

- [Clinical Appropriateness Measures Collaborative Project Results](#)

- In collaboration with 7 AHIP members, Dr. Makary's team analyzed 5 measures of interest in the specialties of gastroenterology, orthopedic surgery, and nephrology.
- About 10% of physicians provided care inconsistent with evidence-based standards of care, as defined by their respective specialty societies.
 - While this number may seem small, each of these physicians treats many patients, **making the number of affected patients significant.**
 - Improving physician performance will result in better care and outcomes for patients.
 - Studies have shown that physicians presented with data showing their performance relative to their peers can influence under-performing providers to change their behavior.
- Policymakers should consider these findings when restricting or limiting the use of medical management tools designed to promote evidence-based care, such as prior authorization.

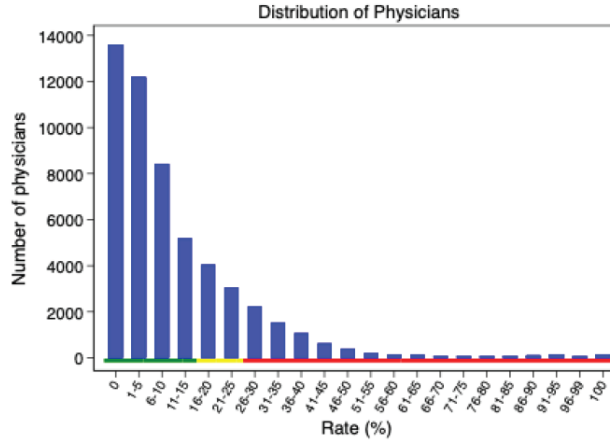
Rate of Different Day Bidirectional Endoscopy

Of 12,851 physicians included in the study, **7.4%** (946 physicians) performed outside of consensus-based standards of care.⁴



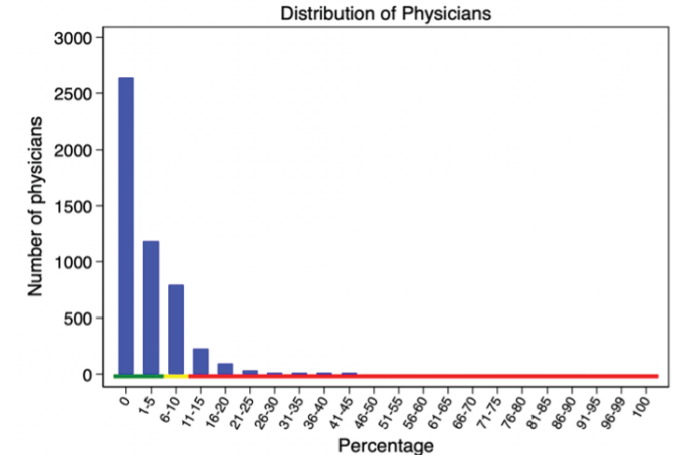
Rate of Add-on Upper Endoscopy During a Screening Colonoscopy

Of 53,388 physicians included in the study, **13%** (6,936 physicians) performed outside of consensus-based standards of care.⁵



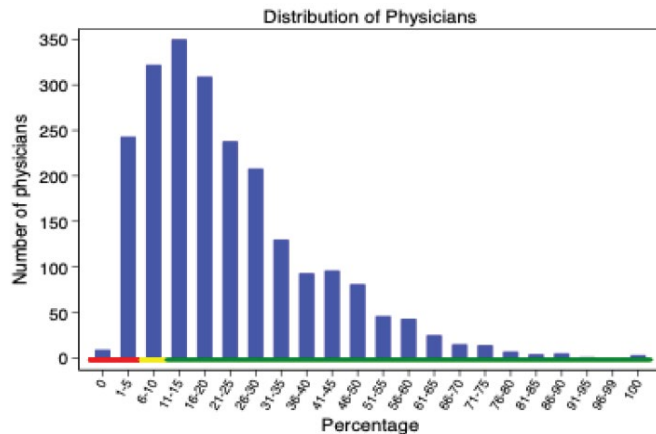
Rate of Knee Arthroscopy Prior to Knee Replacement Surgery

Of 4,975 physicians included in the study, **7.3%** (364 physicians) performed outside of consensus-based standards of care.⁷



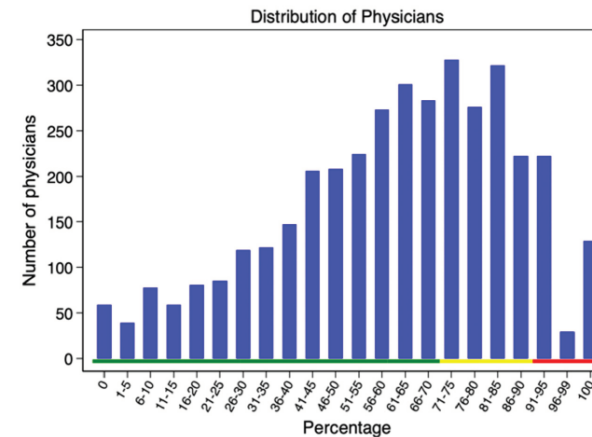
Rate of Home Hemodialysis

Of 2,242 physicians included in the study, **11.2%** (252 physicians) performed outside of consensus-based standards of care.⁸



Rate of Knee Arthroscopic Procedures that are Meniscectomy Only

Of 3,812 physicians included in the study, **10%** (380 physicians) performed outside of consensus-based standards of care.⁶



2022 Industry Survey

Survey Methodology

- AHIP conducted an industry-wide survey on prior authorization practices and gold carding experience of commercial plans.
- The survey aimed to see what actions plans were taking to meet the aims of the consensus statement and how their prior authorization processes had changed since the previous industry survey in 2020.
- The survey was conducted via a web-based tool in February-April of 2022.
- AHIP received responses from **26 plans** covering **122 million commercial enrollees**.



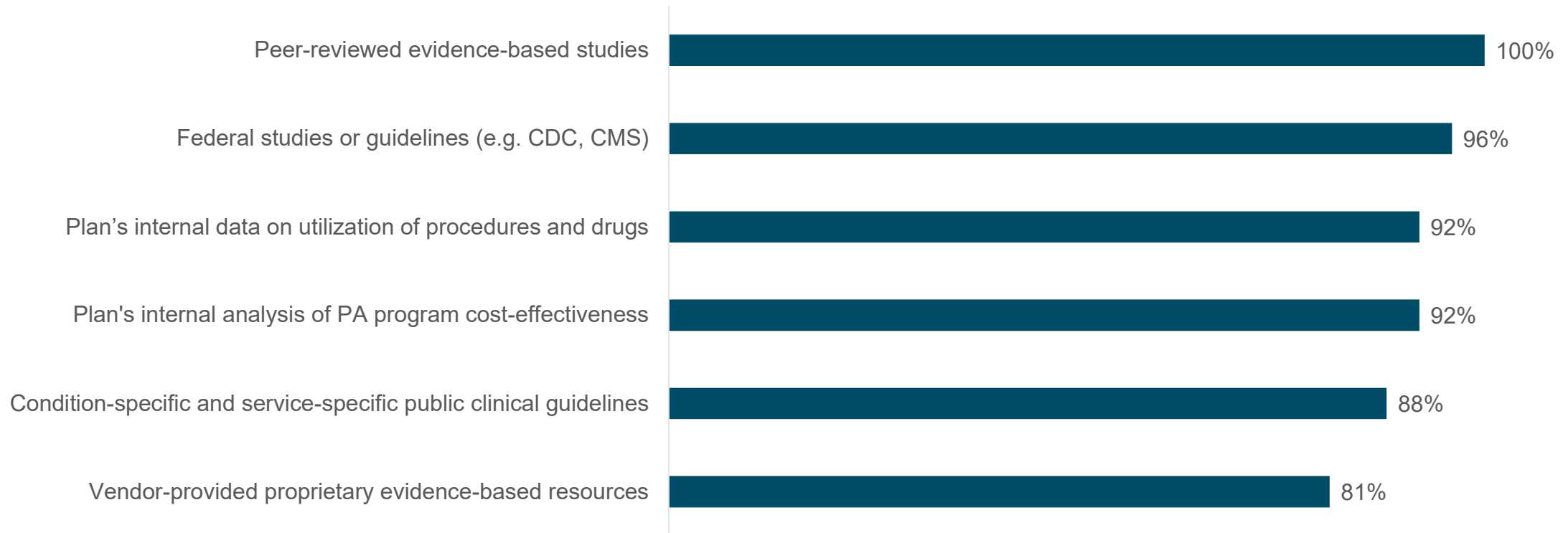


Key Takeaways

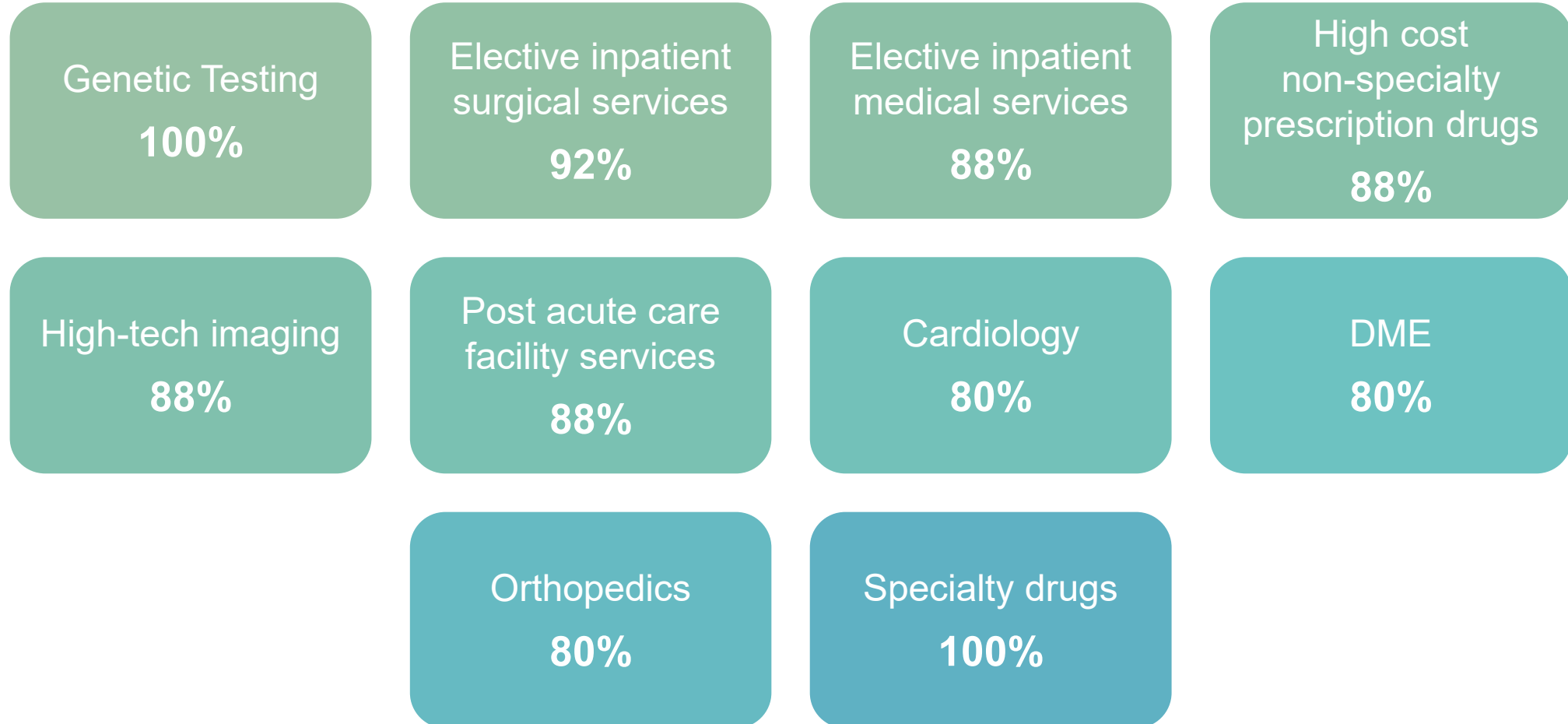
- The survey shows concrete actions from health plans in the 5 areas of the Consensus Statement to improve the prior authorization process.
- Highlights evidence-based and targeted nature of prior authorization programs and regular review based on evidence and data.
- Affirms electronic prior authorization (ePA) and automation as opportunities for improvement.
- Finds increased use of gold carding, with mixed reviews on impact and outcome.

Prior Authorization Programs Are Evidence-Based

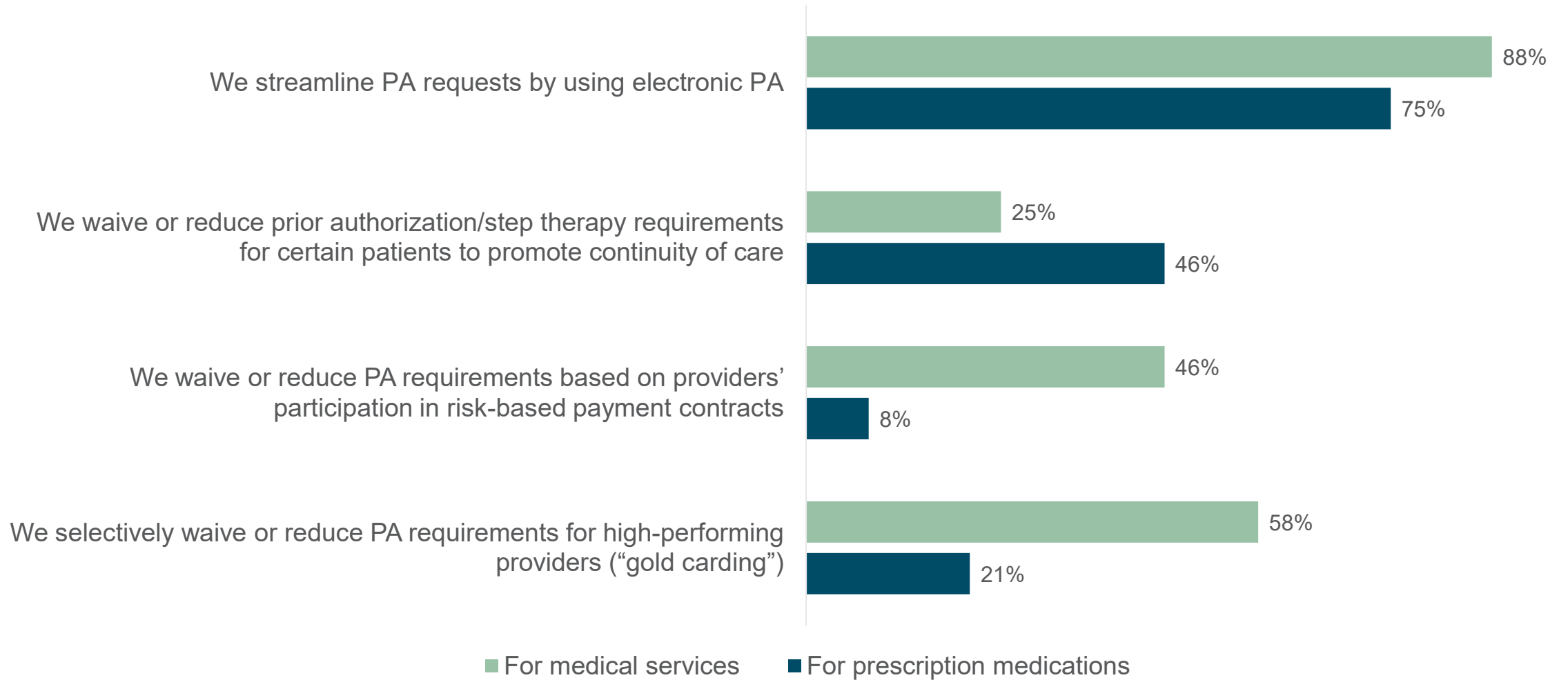
When asked what resources are used in designing their prior authorization programs, plans reported using a range of evidence-based resources



Most Common Treatments Subject to Prior Authorization

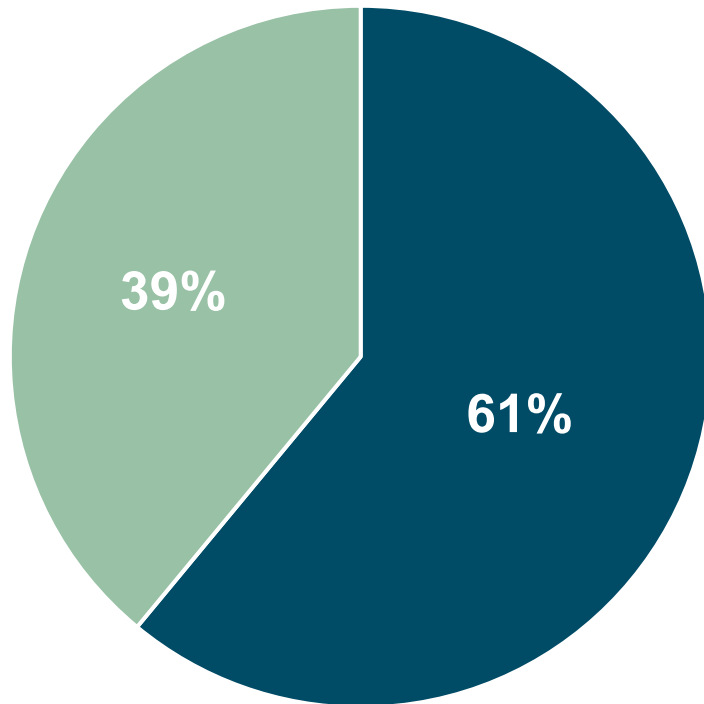


Majority of Plans Streamline PA in Multiple Ways

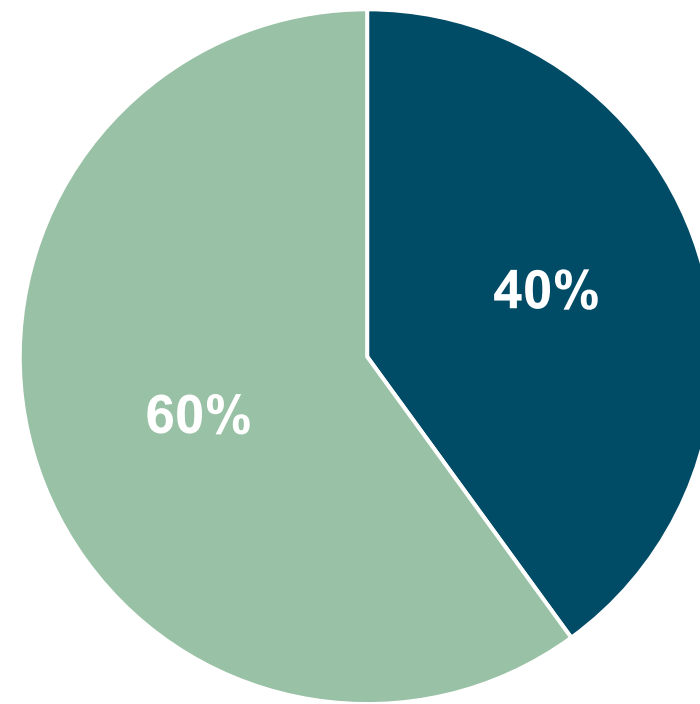


A significant percentage of PA requests continue to be submitted manually by providers

Prescription Medications



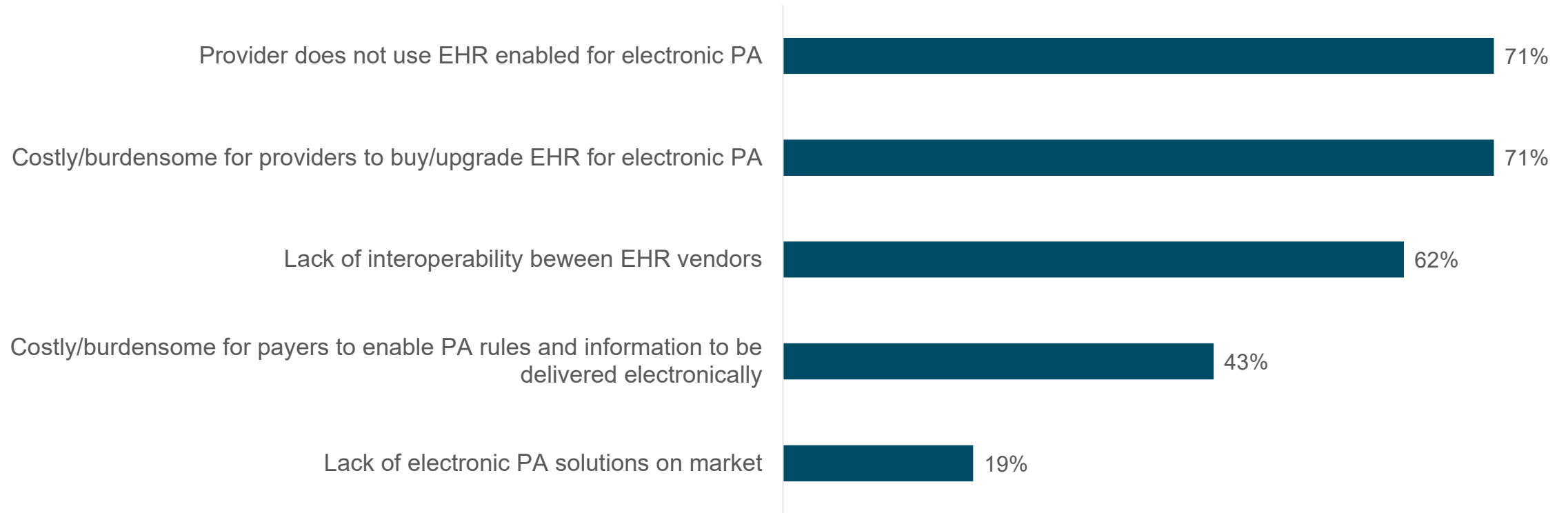
Medical Services



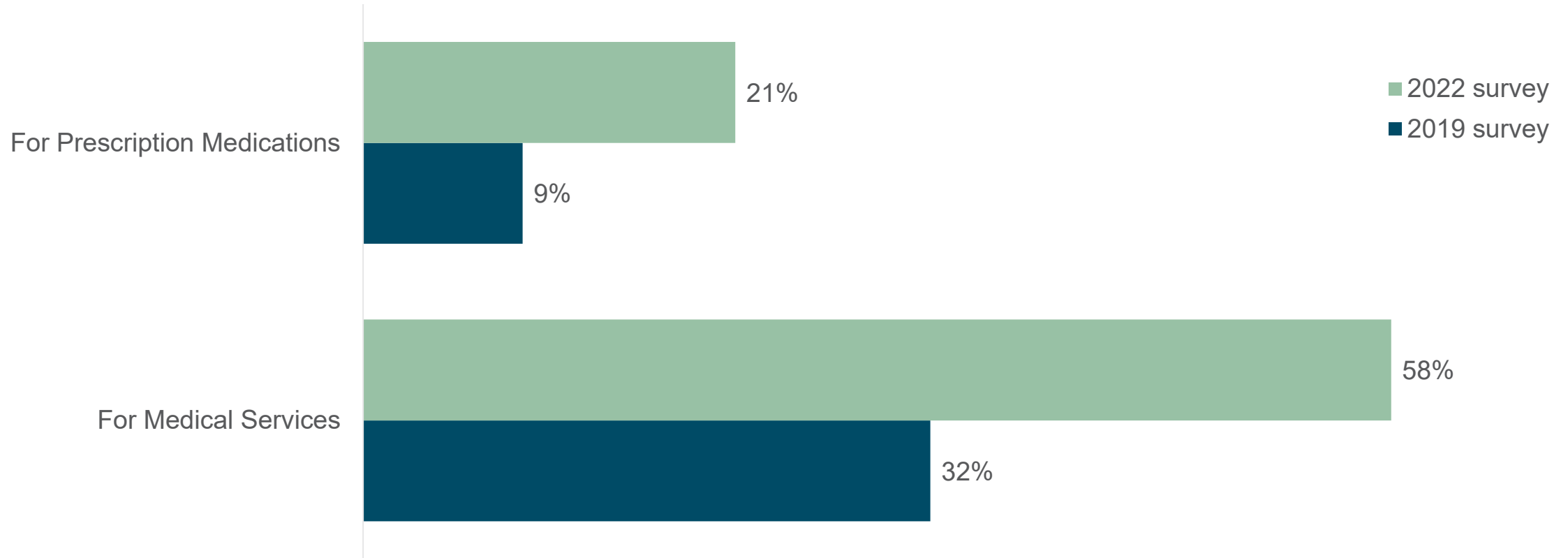
- Electronic submission
- Manual submission

Barriers to Prior Authorization Automation

Providers not using EHRs enabled for electronic prior authorization is the main barrier to greater use of ePA



More Frequent Use of Gold Carding



Gold carding is most effective for services with clear standards of care

High-tech imaging
44%

Orthopedic services
19%

Elective inpatient medical services
19%

Cardiology
19%

Gold carding programs are targeted at providers who meet certain performance criteria

Low Denial/High Approval Rate

59%

Minimum Number of PA Requests

47%

Contracted Provider for a Specific Time

35%

Participate in a Risk-Based Contract

18%

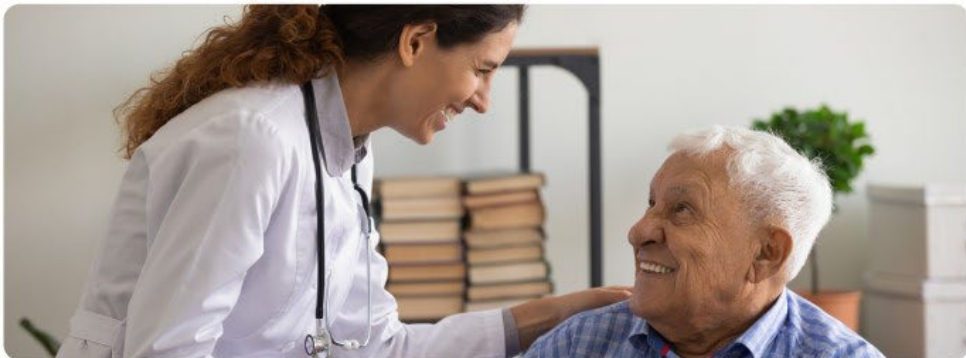
How Health Insurance Providers Are Delivering on Their Commitments

Every American deserves access to affordable, high-quality coverage and care. But too many of our nation's health care dollars are wasted through unnecessary, inappropriate, or even harmful care. Even doctors agree: 65% of physicians have said that at least 15-30% of medical care is unnecessary. This is unacceptable, particularly when combined with the fact that too many Americans struggle to access health care that is affordable.

Prior authorization (PA) is essential to support patient access to clinically appropriate, evidence-based care. Prior authorization can reduce inappropriate care for patients by catching unsafe or low-value care or care that is not consistent with the latest clinical evidence before it occurs – all of which contribute to unnecessary costs and potential harm to patients. Public and private purchasers of health care recognize the value of this essential tool.

While PA is critical in reducing unsafe, low-value, or inappropriate care, the process can be burdensome to providers, patients, and health insurance providers alike, especially when working on an outdated, manual, paper-based system. In 2018, stakeholders representing providers, insurers, and pharmacists developed a [Consensus Statement](#) recommending opportunities to improve the PA process.

Increasing the adoption of electronic prior authorization (ePA) was one of the major opportunities identified for improving the PA process. Using health information technology to exchange data has been demonstrated to improve health outcomes, enhance efficiencies, and reduce costs. Despite this opportunity, physicians, however, are lagging in their adoption of electronic health data exchange, including ePA. According to a [recent study](#) published by the Office of the National Coordinator for Health Information Technology (ONC), about one-third (35%) of office-based physicians still used only fax, mail or e-fax to share patient health information with providers outside of their organization in 2019. In addition, physicians' engagement in electronically sending, receiving, and integrating information did not change between 2015 and 2019.



Other AHIP Resources

- [How Health Insurance Providers Are Delivering on Their Commitments](#) details AHIP and our members' work since we signed the 2018 prior authorization consensus statement
- [More for Your Health Care Dollar: Weeding Out Low-Value Care](#)
- [Medicare Adopts More Medical Management Tools to Improve Patient Health](#)
- [Impact of Federal Prior Authorization Requirements on States](#)

Thank You

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