

## **AMA Survey Indicates Prior Authorization Wreaks Havoc on Patient Care**



Access to patient-centered care continues to suffer as health insurance companies impose prior authorization barriers on necessary care and substitute corporate policy for clinical decisions that are in patients' best interest. Turmoil caused by excessive authorization controls leads to serious or life-threatening events for patients, unnecessary waste, and physician burnout, according to the latest <u>survey</u> (PDF) from the American Medical Association (AMA).

Prior authorization is a blunt cost-control tactic requiring physicians to obtain approval from a health insurance company before a treatment qualifies for coverage. The burdensome administrative process unnecessarily exacerbates care delays for patients and has been denounced as a "medical injustice disguised as paperwork." for enabling insurers to pad their bottom lines while inflicting harm on patients.

"Across the country, physicians see firsthand the dangerous, harmful—and sometimes deadly—consequences of prior authorization," wrote AMA President Bruce A. Scott, M.D. in a <u>viewpoint</u> that accompanied the AMA survey. "Payers erect roadblocks and hurdles allegedly designed to save money for the health system and protect precious resources, but when patients and their doctors face care delays—or even give up and abandon necessary care—the result can actually be *increased* overall costs when worsening health conditions force patients to seek urgent or emergency treatment. Our patients are caught in the middle, twisting in the wind, while physicians fight for them, often with fax machines as our only available weapon."

The AMA survey results illustrate that delayed and disrupted care has become a predictable and miserable part of the patient experience as widespread use of prior authorization programs by the health insurance industry continues to negatively impact the delivery of necessary medical treatments, jeopardize quality care, and harm patients.

- Patient Harm—Nearly one in four physicians (24%) reported that prior authorization has led to a serious adverse event for a patient in their care, including hospitalization, permanent impairment, or death.
- Bad Outcomes—More than nine in 10 physicians (93%) reported that prior authorization has a negative impact on patient clinical outcomes
- Delayed Care—More than nine in 10 physicians (94%) reported that prior authorization delays access to necessary care.
- Disrupted Care—More than three-fourths of physicians (78%) reported that patients abandon treatment due to authorization struggles
  with health insurers.
- Lost Workforce Productivity

  More than half of physicians (53%) who cared for patients in the workforce reported that prior
  authorizations had impeded a patient's job performance.

Physicians reported high administrative burdens across major health plans when complying with prior authorization requirements and appeal procedures, forcing time and effort to be redirected away from patient care. The burdensome administrative duties consume scarce resources and significantly contribute to physician burnout.

- Added Burden—Physicians reported completing an average of 43 prior authorizations per week, and more than a quarter (27%) of
  physicians reported that prior authorization requests are often or always denied.
- **Diverted Time and Resources**—Prior authorization requirements for a single physician consume the equivalent of 12 hours of physician and staff time each week, and more than a third (35%) of physicians employ staff members to work exclusively on tasks associated with prior authorization.
- Burnout Factor—More than nine in 10 physicians (95%) reported that prior authorization somewhat or significantly increases physician burnout.

Not only does prior authorization negatively impact patient-centered care and adds to crushing administrative burdens on physicians, the AMA survey found it also adds significant waste and cost to the entire health system.

• Wasted Health Resources—More than four in five physicians (87%) reported that prior authorization requirements lead to higher overall utilization of health care resources, resulting in unnecessary waste rather than cost-savings. More specifically, physicians reported resources were diverted to ineffective initial treatments (69%), additional office visits (68%), urgent or emergency care (42%), and hospitalizations (29%) due to prior authorization requirements.

Despite mounting evidence that prior authorizations for drugs and medical services can be a hazardous and burdensome obstacle to patient-centered care, the AMA survey found that the health insurer industry continues to show ineffectual follow-through on <u>five key reforms</u> (PDF) that were mutually agreed to in January 2018 by the AMA and other national organizations representing pharmacists, medical groups, hospitals and health insurers.

Given the health insurance industry's lack of progress toward voluntarily expediting comprehensive prior authorization reforms, the AMA has taken a leading role in advocating for state-level prior authorization reforms and <a href="mailto:strongly-supports">strongly-supports</a> bipartisan and bicameral federal legislation to reform prior authorization procedures within Medicare Advantage—the <a href="Improving Seniors">Improving Seniors</a> Timely Access to Care Act of 2024.

"The time is now for Congress to adopt reintroduced prior authorization reform legislation that prioritizes patients' access to care, reduces administrative burdens on physicians, and preserves resources for high-quality care," said Dr. Scott. "Because insurers will not change their ways despite their rhetoric, lawmakers have an important opportunity to rein in excessive prior authorization requirements and unnecessary administrative obstacles between Medicare Advantage patients and evidence-based treatments."

The AMA continues to work on every <u>front</u> to right-size prior authorization programs so that physicians can focus on patients rather than administrative burdens. Patients, physicians, and employers can learn more about reform efforts and share personal experiences with prior authorization at <u>FixPriorAuth.org</u>.

Source & Image Credit: AMA

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