**PHYSICIANS SAY PRIOR AUTHORIZATION HURTS PATIENT OUTCOMES, WASTES RESOURCES**

ANALYSIS  |  BY [JAY ASSER](https://www.healthleadersmedia.com/users/jay-asser)  |   MARCH 15, 2023

Surveyed providers believe the administrative process imposed by health insurers does more than good.

A survey of 1,001 physicians by the American Medical Association illustrates the unintended consequences of prior authorization to patients and providers.

The overwhelming majority of physicians (89%) said that prior authorization had a negative impact on patient clinical outcomes, while 86% said it sometimes, often, or always led to higher overall utilization.

CMS has proposed prior authorizations changes medical groups have agreed with, but provider groups want more, such as shortening the timeframe payers have to give prior authorization decisions.

Prior authorization is harming patients and resulting in unnecessary waste of healthcare resources, according to physicians surveyed by the American Medical Association (AMA).

The new [**poll**](https://www.ama-assn.org/system/files/prior-authorization-survey.pdf) of 1,001 practicing physicians in December 2022 reveals the ramifications patients and providers have to deal with from health insurers imposing prior authorization practices to control costs.

Nearly nine in 10 respondents (89%) said that the administrative process had a negative impact on patient clinical outcomes, with only 2% answering that it has any positive impact.

Meanwhile, 86% of physicians reported that prior authorization requirements sometimes, often, or always led to higher overall utilization of healthcare resources, as opposed to 12% saying that is the case rarely or never. Specifically, 64% of physicians reported that prior authorization has led to ineffective initial treatments, 62% said it has led to additional office visits, and 46% answered it has led to immediate care and/or emergency room visits.

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"Health plans continue to inappropriately impose bureaucratic prior authorization policies that conflict with evidence-based clinical practices, waste vital resources, jeopardize quality care, and harm patients," AMA President Jack Resneck Jr. said in a [**statement**](https://www.ama-assn.org/press-center/press-releases/toll-prior-authorization-exceeds-alleged-benefits-say-physicians).

"The byzantine system of authorization controls is rife with opportunities for reform and the AMA continues to work with federal and state officials on legislative solutions to reduce waste, improve efficiency, and protect patients from obstacles to medically necessary care."

A third of the surveyed physicians (33%) also said that prior authorization has led to a serious adverse event for a patient in their care, including hospitalization, permanent impairment, or death.

More than nine in 10 respondents (94%) said that prior authorization delayed access to necessary care, while 80% said patients abandoned treatment due to authorization issues with insurers.

Additionally, the survey results illustrate how prior authorization negatively impacts providers. Most physicians (88%) said burdens associated with prior authorization were high or extremely high, and that on average, practices complete 45 prior authorizations per physician per week, equating to almost two business days (14 hours).

Respondents also questioned the clinical validity of prior authorization programs, with 31% saying that prior authorization criteria is rarely or never evidence-based.

At the end of 2022, CMS released a [**proposed rule**](https://www.healthleadersmedia.com/payer/cms-proposed-prior-authorization-rule-applauded-groups) which would require payers to implement electronic prior authorization in an effort to streamline the process.

Several medical groups applauded the initiative at the time and have since submitted comments to CMS asking for the regulations to be strengthened further.

One aspect provider groups have focused on is the timeframe for payers to provide prior authorization decisions. In its proposed rule, CMS has given a seven-day timeframe for standard prior authorizations and 72 hours for expedited prior authorizations.

In its submitted [**comments**](https://searchlf.ama-assn.org/letter/documentDownload?uri=%2Funstructured%2Fbinary%2Fletter%2FLETTERS%2FLetter.zip%2F2023-3-13-Letter-to-Brooks-LaSure-re-CMS-Interop-and-Prior-Authorization-Proposed-Regulation-v4.pdf), AMA urged CMS to require prior authorizations to be processed within 48 hours and expedited prior authorizations within 24 hours.

"We appreciate CMS' acknowledgment that failure to provide timely PA decisions can literally mean life or death for patients, as shown by AMA’s annual PA physician survey," the association wrote.

The Medical Group Management Association (MGMA) agreed with AMA's timeline and [**asked**](https://www.mgma.com/getmedia/923c22b4-cb30-4f5f-92bf-b218f0e1aa29/03-13-2023_MGMA-PA-interoperability-comments-FINAL.pdf.aspx?ext=.pdf) CMS to also shorten the period to 48 hours for standard requests and 24 hours for urgent requests.

"Although MGMA supports efforts to require these payers to send prior authorization decisions in a timelier manner, we believe the proposed timeframes are unacceptably long and will do little to mitigate the challenges associated with the current wait times," MGMA stated.

The American Hospital Association, meanwhile, [**recommended**](https://www.aha.org/system/files/media/file/2023/03/aha-comments-on-the-advancing-interoperability-and-improving-prior-authorization-processes-proposed-rule-letter-3-13-23.pdf) that health plans be required to give prior authorization responses within 72 hours for standard, non-urgent services and 24 hours for urgent services.

"As a result of having the clinical information delivered in such an expeditious manner, health plans should have the capability to determine whether the provider has met their established medical necessity threshold in a much timelier manner," AHA said. "Patients should not be forced to wait to receive care for longer than is necessary."

*Jay Asser is an associate editor for HealthLeaders.*