KEY RESULTS
2022 Industry Survey on Prior Authorization & Gold Carding
Survey Methodology

• An industry-wide survey on prior authorization practices and gold carding experience of Commercial plans 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

- Shows concrete actions 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/automation as opportunity for improvement.
- Finds increased use of gold carding with mixed reviews on impact and outcome.
When asked what resources are used in designing their prior authorization programs, plans reported using a range of evidence-based resources:

<table>
<thead>
<tr>
<th>Resource Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peer-reviewed evidence-based studies</td>
<td>100%</td>
</tr>
<tr>
<td>Federal studies or guidelines (e.g. CDC, CMS)</td>
<td>96%</td>
</tr>
<tr>
<td>Plan’s internal data on utilization of procedures and drugs</td>
<td>92%</td>
</tr>
<tr>
<td>Plan’s internal analysis of PA program cost-effectiveness</td>
<td>92%</td>
</tr>
<tr>
<td>Condition-specific and service-specific public clinical guidelines</td>
<td>88%</td>
</tr>
<tr>
<td>Vendor-provided proprietary evidence-based resources</td>
<td>81%</td>
</tr>
</tbody>
</table>
Plans Review their PA Lists at Least Annually

Prescription Medications

100%

Medical Services

96%

4%

- At least once a year
- Every 2-3 years
## Most Common Treatments Subject to Prior Authorization

<table>
<thead>
<tr>
<th>Treatment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Genetic Testing</td>
<td>100%</td>
</tr>
<tr>
<td>Specialty drugs</td>
<td>100%</td>
</tr>
<tr>
<td>Elective inpatient surgical services</td>
<td>92%</td>
</tr>
<tr>
<td>Elective inpatient medical services</td>
<td>88%</td>
</tr>
<tr>
<td>High cost non-specialty prescription drugs</td>
<td>88%</td>
</tr>
<tr>
<td>High-tech imaging</td>
<td>88%</td>
</tr>
<tr>
<td>Post acute care facility services</td>
<td>88%</td>
</tr>
<tr>
<td>Cardiology</td>
<td>80%</td>
</tr>
<tr>
<td>DME</td>
<td>80%</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>80%</td>
</tr>
</tbody>
</table>
Vast Majority of Plans Streamlining the PA Process

- Prescription Medications: 96% Yes, 4% No
- Medical Services: 92% Yes, 8% No
We streamline PA requests by using electronic PA (88%)

We waive or reduce PA/step therapy requirements for certain patients to promote continuity of care (75%)

We waive or reduce PA requirements based on providers’ participation in risk-based payment contracts (46%)

We selectively waive or reduce PA requirements for high-performing providers ("gold carding") (58%)

For medical services

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

- **Prescription Medications**
  - Electronic submission: 61%
  - Manual submission: 39%

- **Medical Services**
  - Electronic submission: 40%
  - Manual submission: 60%
Barriers to Prior Authorization Automation

Providers not using electronic health records (EHRs) enabled for electronic prior authorization is a main barrier to greater use of ePA

- Provider does not use EHR enabled for electronic PA: 71%
- Costly/burdensome for providers to buy/upgrade EHR for electronic PA: 71%
- Lack of interoperability between EHR vendors: 62%
- Costly/burdensome for payers to enable PA rules and information to be delivered electronically: 43%
- Lack of electronic PA solutions on market: 19%
Majority of plans report negative impacts of state regulation of PA programs

- 76% Negative impacts
- 24% No negative impacts
More Frequent Use of Gold Carding

For Prescription Medications
- 2022: 21%
- 2019: 9%

For Medical Services
- 2022: 58%
- 2019: 32%
Most Common Services Eligible for Gold Carding

The majority of plans reported that gold carding works better for some services than others, such as where there are clear and consistent clinical standards of care.

- High-tech imaging: 44%
- Orthopedic services: 19%
- Elective inpatient medical services: 19%
- Cardiology: 19%
Majority of plans review gold carded provider performance at least annually

Best Practices for Eligibility
While varying by specialty and geography, some of the common criteria for accepting providers in gold carding programs are:

- A low prior authorization denial rate
- Submission by the provider of a minimum number of PA requests
- Participation in a risk-based contract
Gold carding programs have mixed reviews

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Reduced administrative burden</td>
<td>46%</td>
</tr>
<tr>
<td>Improved provider satisfaction</td>
<td>46%</td>
</tr>
<tr>
<td>Administratively difficult to implement</td>
<td>33%</td>
</tr>
<tr>
<td>Quality/patient safety remained stable or improved</td>
<td>23%</td>
</tr>
<tr>
<td>Reduced quality (&quot;performance slippage&quot;)</td>
<td>20%</td>
</tr>
<tr>
<td>Higher costs without improved quality</td>
<td>20%</td>
</tr>
</tbody>
</table>
Top reasons for discontinuing gold carding programs

- Administratively difficult to implement: 75%
- Reduced quality/patient safety ("performance slippage"): 50%
- Higher costs without improved quality: 25%
Other Resources

• How Health Insurance Providers Are Delivering on Their Commitments

• New Survey: Effective Gold Carding Programs are Based on Evidence and Value for Patients

• Using Prior Authorization to Promote Appropriate Imaging Services

• Fast PATH initiative
Thank You