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process can be burdensome to providers, patients, and health insurance providers alike, especially when working on an outdated, manual, paper-based system.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.
Health insurance providers have taken concrete actions in the 5 areas of the Consensus Statement to help achieve the shared goal of making prior authorization more efficient, more effective, and less burdensome. Those actions include:

1. Targeting The Application of Prior Authorization

Health insurance providers use PA selectively, targeting specific areas prone to wide variation or inappropriate use.

AHIP surveys of its members show that PA is most often focused on areas such as: high-tech imaging, elective services, and specialty drugs.

More health insurance providers are waiving or reducing prior authorization requirements, as providers take on the financial risk related to their medical decisions by participating in value-based care arrangements.

AHIP surveys of its members show that the percentage of plans waiving or reducing PA based on participation in risk-based contracts increased between 2019 to 2022 (for medical services, from 25% to 46%, for prescription medications, from 5% to 8%).

More health insurance providers are using gold carding programs based on on-going provider performance and consistent adherence to evidence-based medicine.

AHIP surveys of its members show that the percentage of plans using gold carding increased between 2019 to 2022 (for medical services, from 32% to 58%, for prescription medications, from 9% to 21%). These programs are most effective when provider performance is closely monitored.

However, gold carding programs received mixed reviews. While 69% of plans with gold carding programs observed some positive outcomes such as reduced administrative burden and improved provider satisfaction, 73% reported some negative outcomes, such as reduced quality care for patients, higher costs, and administratively difficult implementation.

2. Using Automation to Improve Transparency and Efficiency

More health insurance providers are streamlining PA requests by leveraging electronic processes.

AHIP conducted a survey of members on their use of prior authorization in 2019 and 2022 that showed that more insurers are streamlining PA through ePA (for medical services, from 66% to 88%, for prescription medications, from 72% to 75%). For ePA to achieve its potential, providers need to fully use the tools made available by health insurance providers.

AHIP members are voluntarily working as part of HL7’s DaVinci Project to establish fast health care interoperability resources (FHIR)-based standards to share prior authorization information in this way.

Health care must do better to deliver high-value care.

AHIP launched a Clinical Appropriateness Measures Collaborative Project in 2020-2021 with Dr. Martin Makary, a professor at the Johns Hopkins University School of Medicine, on a data-driven, collaborative approach to promote evidence-based care.

Dr. Makary’s team found that while the majority of physicians included in the study performed within appropriate and evidence-based standards of care as defined by their respective specialty societies, about 10-15% of physicians provided care inconsistent with the consensus and evidence-based standards.
Health insurance providers have invested in new solutions that work for patients and providers alike.

In January 2020, AHIP and other partners launched the Fast Prior Authorization Technology Highway (Fast PATH) initiative. Fast PATH successfully employed technology in physicians’ offices to speed prior authorization decisions, lower provider burden, and get patients to the care they need faster.

- **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.

Health insurance providers are actively advocating for policies to support a strong transition to ePA.

- AHIP encourages the Department of Health and Human Services (HHS) to work with the industry to develop the necessary standards for prior authorization exchange.

- AHIP also recommends that the Centers for Medicare & Medicaid Services (CMS) address challenges that could arise from stakeholders having to mix and match standards for prior authorization that could raise the burden on all parties.

3. Regularly Reviewing Prior Authorization Programs

Health insurance providers regularly review which services and medications need PA, based on the latest evidence as well as input from providers.

- In a 2022 survey of its members, AHIP found that all responding plans (100%) review their list of drugs at least annually and 96% of the plans conduct annual or more frequent reviews of medical services subject to prior authorization.

- AHIP’s 2019 survey found that all responding plans (100%) use provider input in developing their PA programs in a variety of ways:
  - Consulting with specialists (82%)
  - Designing their programs using provider-developed clinical guidelines (70%)
  - Designing their programs using vendor-provided guidelines that include provider input (70%)
  - Designing their programs by obtaining input from contracted providers (68%)


Health insurance providers are actively advocating for new standards to support transparency and communication.

AHIP has recommended that the Office of the National Coordinator (ONC) establish requirements for electronic health record (EHR) developers to include specific functions in their technologies as part of the Certified Electronic Health Record Technology (CEHRT) program to facilitate communication on prior authorization.

The integration of ePA technology into EHRs could reduce the burden on providers and increase the likelihood of adoption. By incorporating the ability to access critical information at the point of care via EHRs or other interfaces, ePA solutions can facilitate transparency of information and decision making, resolving another key reported burden of the prior authorization process.
5. Protecting Continuity of Patient Care

More insurance providers are waiving or reducing prior authorization requirements for certain patients to promote continuity of care.

In surveys of its members, AHIP found that the percentage of plans waiving or reducing PA for prescription medications to promote continuity of care increased from 42% in 2019 to 46% in 2022.

Health insurance providers are actively advocating for policies to improve the exchange of information between payers to promote continuity of care.

AHIP has recommended that CMS focus the payer-to-payer data exchange on information to support transitions in coverage such as prior authorization information to ensure payers can act rapidly to support continued care.

AHIP is also working to advance the Trusted Exchange Framework and Common Agreement (TEFCA) that could facilitate information sharing among providers, payers, and patients.

Health insurance providers consistently seek ways to enhance the patient and provider experience. This includes selectively using tools like prior authorization to ensure patients are getting the right care in the right setting at the right time. To further realize the benefits of prior authorization, stakeholders should explore available ways to increase provider adoption of ePA technology. These approaches could include a combination of: (1) increasing the availability of the technology to providers; and (2) increasing the use of the technology where it is already available by identifying and addressing challenges, such as provider readiness and training, workflow integration, and incentives for providers to use the technology.

Health care providers are committed to helping patients get safe, evidence-based, clinically appropriate and affordable care. And we’re committed to the appropriate use of tools like prior authorization to achieve this goal. Health insurance providers will continue to collaborate with providers and other stakeholders to build upon our 2018 consensus statement and implement innovative solutions to improve the PA process.