KMA
KENTUCKY MEDICAL ASSOCIATION
*Physicians Caring for Kentucky*

# PRIOR AUTHORIZATIONS

## Delaying and Denying Access to Care

## BACKGROUND

Health plans often require unnecessary prior authorizations, denying Kentucky patients access to the care and treatment they need to be healthy. This practice creates roadblocks for patients trying to access medications and treatment, increases health care costs and restricts health care providers from doing their jobs effectively.

## THE ISSUE & SOLUTION

**Prior authorization (PA) requirements unnecessarily delay and deny much-needed patient care, which can lead to poor health outcomes or worse.**

- 50 percent of insured patients say they, or someone they know, have been denied coverage by their insurance providers for treatments their doctors recommended.
- In a 2010 American Medical Association survey of 2,400 physicians, two-thirds reported waiting several days to receive PA for prescription medications, while 10 percent waited more than a week.
- Even after a patient is approved, the insurer's authorization may only be for a limited time. Patients may be forced to go through the entire PA process every few months to ensure they remain covered.
- PA can delay care for those with life-threatening illnesses. More than 10 percent of employer-sponsored plans require PA before they cover the cost of diabetic supplies.

**Prior authorization requirements burden physicians and the entire health care system.**

- PA requirements and other administrative burdens cost the U.S health care system $82,975 per physician per year. They also cost individual full-time physicians between $2,161 and $3,430 annually.
- The hours physicians lose to seeking prior authorizations are expensive, contributing to the approximately $471 billion the U.S. health care system spends each year on billing and insurance-related costs.
- Almost 80 percent of prior authorization requests are ultimately approved, demonstrating that this tactic only delays care and is not used to improve access to care.
- Kentucky already faces a physician shortage, and at a time when health care costs are reaching all-time highs, we should not be burdening providers unnecessarily.
- When insurers employ protocols that worsen patient health, or price effective treatments beyond what many patients can afford, they can increase the total lifetime cost of a patient's care.
- The average physician spends about 20 hours per week on PA activities—a total of more than 868 million lost hours annually.

**Healthcare providers should be making medical decisions, not insurance companies.**

- Insurance executives and benefit managers, who have never met or examined patients, have effectively taken charge of their care through the PA process, and are capable of overriding the treatment decisions that have already been made in consultation with their doctors.
- Insurers commonly base PA criteria on their own determination, rather than a medical professional's, that the treatment is medically necessary and likely to accrue the intended therapeutic benefit.
- For a growing number of Americans, the very insurers tasked with guaranteeing access to essential health care often stand between them and the medical treatments their doctors have prescribed.