

Prior authorization is a complicated, time-consuming, cost-control process utilized by health plans that require physicians to obtain advance approval from a health plan before a specific service or medication is delivered. The overuse and misuse of prior authorizations negatively impacts patients and providers by leading to care delays for patients, administrative burdens for physicians, and increased cost to the healthcare system. Recent surveys and reports support these claims:

- Researchers estimate waste, including administrative costs like prior authorization, amounts to \$245 billion, or \$2,497 per person, per year.¹
- Prior authorizations cost physicians between \$10.92 and \$14 each to obtain; that does not include patient costs of time spent and missed work.¹
- A national survey of 925 physicians and administrators found that physicians spent a median of 4 hours per week on drug utilization management, while nurses spent 15 hours and other staff spent between 3.6 and 10 hours per physician per week. This time was associated with a calculated median dollar value of \$75,927 per physician per year.²
- In a 2020 CoverMyMeds Annual Report, they estimate that 7% of all prescription claims nationwide are rejected due to PA and 37% of those prescriptions are abandoned by patients. As 5.8 billion prescriptions were dispensed in 2018, PA could be the cause of over 150 million patients not getting the medications they need.³
- A 2021 American Medical Association survey of more than 1,000 practicing physicians from across the country, revealed that more than 40% of physicians have staff who work exclusively on prior authorization, and that on average, practices reported that they complete 41 PAs per physician per week.⁴

KMA **supports** House Bill 134, which would establish a prior authorization exemption program designed to automatically waive prior authorization requirements if a physician has historically been approved for a specific procedure/service most of the time (e.g. 90 percent). This prior authorization exemption program would ensure patients have timely access to the care they need, reduce administrative burdens for physicians, and lower healthcare costs.

82% of physicians said that issues related to the prior authorization process sometimes, often, or always lead to patients' delays or changes to patients' recommended course of treatment.

7 in 10 physicians said that the amount of work associated with the prior authorization process has increased in recent years.

Over **half** of physicians said that the burden associated with prior authorizations is extremely high or high.

81% of physicians said the prior authorization process delays access to necessary care for patients sometimes, often, or always.

What Kentucky Physicians Have to Say About Prior Authorization

- "Delay in care often adds to the time my patients are in pain because diagnostic and therapeutic procedures are being delayed."
- "I have had so many patients not be able to receive their medications in a timely manner due to need for PA. If PA is not approved, we often have to choose a different medication which may not be as beneficial for the patient's health."
- "Several times each week I have to change treatment plans from what I consider to be optimal for the patient because of denials."
- "Elimination of this unnecessary burden would allow me to see and treat more people."