

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."

According to the Agency for Healthcare Research and Quality (AHRQ), "burnout is a long-term stress reaction marked by emotional exhaustion, depersonalization, and a lack of sense of personal accomplishment." Physicians and other healthcare workers have an increased chance of risk for experiencing burnout due to the demanding nature of their work. In a consensus study report published on the National Academy of Medicine website, there are twelve key stressors contributing to physician burnout, three of the key factors mentioned are: prior authorization, professional liability, and an erosion of the patient-physician relationship.¹

Quantifying the frequency and severity of physician burnout is oftentimes difficult because each individual experience is inherently subjective. Nevertheless, the consequences of physician burnout are beginning to emerge – lower morale, diminished productivity, lost quality, higher turnover, lower patient satisfaction, and increased rates of substance abuse disorder and suicide. Physician burnout if left unchecked will continue to have a negative impact on patient care, physician health, and health care costs.

Even before the onset of the COVID-19 pandemic, rates of burnout in physicians were high when compared to the general population. However, the burnout rate among physicians in the United States spiked dramatically during the first two years of the COVID-19 pandemic. According to a newly published study in the Mayo Clinic Proceedings, the overall prevalence of burnout among U.S. physicians was 62.8% in 2021 compared with 38.2% in 2020, 43.9% in 2017, 54.4% in 2014, and 45.5% in 2011.²

Many physicians and healthcare workers are less likely to seek and receive help for mental health issues due to stigma associated with physicians seeking treatment for themselves in the medical field. A Medscape report from 2018, which surveyed 15,543 physicians, found that "66% of male physicians and 58% of female physicians who reported burnout, depression, or both had never received professional help, were not currently seeking professional help, and did not plan to seek professional help."³

While the stigma surrounding physicians' mental health is multifaceted, studies show that a large factor barring physicians from receiving mental health treatment is the professional credentialing and medical licensing processes, and/or the potential for an additional exposure to liability. For example, an October 2017 study published in Mayo Clinic Proceedings found that physicians working in a state where the initial/renewal medical licensing application probes too broadly about mental health history were 20% more likely to be reluctant about seeking help.⁴

To begin addressing the issues and concerns associated with the physician burnout epidemic, KMA **supports** Senate Bill 12 which would:

- Encourage physicians to seek care when needed in a wellness program that can directly respond to the physician's wellness needs;
- Ensure that a record of a physician's participation in a wellness program is confidential and has additional legal protections that should provide further encouragement to physicians to seek help when needed; and
- Balances the appropriate role of the medical board, hospital systems, and health insurers, to protect the public safety for an impaired physician, with the public need to encourage physicians to seek help for issues that may be causing high levels of stress that can be successfully addressed through a physician wellness program prior to impairment

KMA Member Survey

- More than half (54%) of the respondents indicated that they are feeling more stress now than before the pandemic
- 13% of respondents said their stress level is high and it is impacting their professional satisfaction
- Nearly half of respondents cited administrative burden as the top cause of stress
- 46% of respondents said reducing payer and regulatory burdens would make their clinical work more time efficient and would enhance patient care

Physician-led, team-based care has proven effective in delivering safe, quality, accessible health care, leading to better health outcomes for all Kentucky patients. This approach ensures that three very important elements of care – access, quality, and cost – are always at the forefront.

Access to healthcare is a critical part of living a healthy life, and all Kentuckians stand to benefit from physician-led, team-based care in their communities. With 94% of Kentucky's 120 counties facing a primary care shortage, we must advance thoughtful policies that grow the physician workforce while freeing up existing physicians to focus more on patient care. The solution for greater access to care is not to expand scope of practice laws for non-physician providers.¹

Quality care makes a difference when it comes to health outcomes—and physicians can help lead the way. With more than a decade of education and training, physicians are highly qualified to oversee, direct and ensure safe medical procedures, surgeries and overall care. Research from the Mayo Clinic shows that patient referrals from physicians ranked higher in quality than referrals from other providers because physicians were able to better articulate clear questions, provide clinical information and help patients understand and feel confident in their health. A study published in October 2022 by the National Bureau of Economic Research, found that services provided by a non-physician provider group to patients within the Veterans Health Administration, resulted in higher medical resource utilization and less favorable patient outcomes. Cases treated by these non-physician providers had lengths of stay that were 11% longer and ED costs that were 7% higher. In addition, these non-physician providers were associated with a 20% increase in 30-day preventable hospitalizations compared to physicians.²

Kentuckians are most comfortable with a highly trained physician overseeing their healthcare. A recent (Dec. 2022) statewide survey conducted for the KMA by an independent polling organization found that Kentucky patients overwhelmingly trust and want physician-led, team-based care.

Further physician-led, team-based care can help control costs within our health care system. Recent studies from a health care clinic in Hattiesburg, Mississippi and Stanford University found that care delivered under the guidance and oversight of a highly trained physician led to fewer emergency room visits, fewer hospital admissions and readmissions, shorter hospital stays, and overall lower health care costs.^{3, 4}

KMA **supports** physician-led team-based care that ensures access, quality, and cost are always at the forefront.

(Data below collected in a December 2022 statewide survey conducted for the KMA by an independent polling organization)

80% of Kentuckians
say physician
involvement in their
treatment and diagnosis
decisions is very
important

86% of Kentuckians
say physician
involvement in medical
procedures and
surgeries is very
important

73% of Kentuckians
say that expanded
scope of practice would
make procedures less
safe, and only **10%** of
Kentuckians say
expansion of scope of
practice laws will help
patients

3 in 4 of Kentucky's
rural voters oppose
non-physician
providers performing
certain medical
services and
procedures (e.g.,
anesthesia services,
eye surgery, etc.)