

AMA Adopts New Prior Authorization Reform Policies During Annual Meeting



Physician and medical student leaders at the Annual Meeting of the American Medical Association (AMA) House of Delegates approved policies aimed at fighting for greater insurer accountability and transparency against the backdrop of proliferating, onerous prior authorization requirements that are delaying and denying necessary care for patients and adding administrative burdens for physicians.

The policies adopted by the House of Delegates address the need for greater oversight of health insurers' use of prior authorization controls on patient access to care. The new policies include:

Insurer Accountability When Prior Authorization Harms Patients

Health plans continue to inappropriately impose bureaucratic prior authorization policies that conflict with evidence-based clinical practices, jeopardize quality care, and harm patients. In response, the AMA will advocate for increased legal accountability of health insurers when prior authorization harms patients.

"Waiting on a health plan to authorize necessary medical treatment is too often a hazard to patient health," said AMA Board Member Marilyn Heine, M.D. "To protect patient-centered care, the AMA will work to support legal consequences for insurers that harm patients by imposing obstacles and burdens that interfere with medically necessary care."

[Surveys of physicians](#) (PDF) have consistently found that excessive authorization controls required by health insurers persistently lead to serious harm when necessary medical care is delayed, denied, or disrupted. Investigations by the [inspector general's office](#) (PDF) of the Health and Human Services Department and [Kaiser Family Foundation](#) into prior authorization by Medicare Advantage plans strongly suggest that insurers are denying medically necessary health care.

The AMA will also work to ensure that increased legal accountability of insurers is not precluded by clauses in beneficiary contracts that may require pre-dispute arbitration for prior authorization determinations or place limitations on class action.

Transparency for Prior Authorization Denials

When access to care is denied by a health insurer, patients and physicians should be able to understand the justification for the coverage decision. However, prior authorization programs imposed by health insurers include extensive denial processes that are notoriously opaque, complex, and inconsistent. In response to the need for improved transparency, the AMA will continue working to ensure health insurers provide prior authorization notifications with detailed explanations regarding the rationale for denying access to care.

"Health insurer denials must not be a mystery to patients and physicians," said Dr. Heine. "Without clear information from an insurer on how a denial was determined, patients and physicians are often left to the frustrating guess work of finding a treatment covered by a health plan, resulting in delayed and disrupted care. Transparency in coverage policies needs to be a core value, an essential principle to help patients and physicians make informed choices in a more efficient health care system."

New AMA policy outlines basic information requirements for prior authorization denial letters that include a detailed explanation of denial reasoning, access to policies or rules cited as part of the denial, information needed to approve the treatment, and a list of covered alternative treatments.

While additional information in denial letters is needed, the AMA will also continue its work to support real-time prescription benefit tools (RTBTs) that allow physicians access to patient drug coverage information at the point of care in their electronic health records. RTBTs can streamline access to care and avoid unexpected delays and denials by confirming insurer-approved care or providing therapeutically-equivalent alternative treatments that do not require the insurer's prior authorization.

The AMA's House of Delegates is the policy-making body at the center of American medicine, bringing together an inclusive group of physicians, residents, and medical students representing every state and medical specialty. Working in a democratic process, delegates create a national physician consensus on emerging issues to help guide AMA actions as it fights for physicians against the mounting challenges that interfere with patient care.

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