NORTH CAROLINA MEDICAL SOCIETY

PRIOR AUTHORIZATION FACT SHEET

WHAT IS PRIOR AUTHORIZATION?

Prior authorization is a health plan cost-control process that requires physicians and other health care professionals to obtain advance approval from a health plan before a specific service is delivered to the patient to qualify for payment coverage.[1] This process sometimes includes **Step Therapy**, which requires patients to use—and then fail to be effectively treated by—their insurer's preferred drug treatment before the insurer will cover another drug, even if that other drug is preferred.[2]

WHY IS CHANGING PRIOR AUTHORIZATION IMPORTANT?

93% OF PHYSICIANS Report care delays as a result of prior authorization.[3]

91% OF PHYSICIANS Report that prior authorization can lead to negative clinical outcomes.[3]

Physicians and staff spend more than **13 hours/week** (nearly two business days) on prior authorizations.[3]

Waiting on prior authorization can also lead to treatment abandonment, care delays, serious adverse events, hospitalization, and in some cases lead to permanent impairment or damage in a patient. Some physicians even report hiring a full time staff member to handle prior authorizations.[3]

RECCOMENDED ACTIONS

- Standardization of timelines for approval/denial, so patients do not face delays in care.
- Prior authorization exemptions for clinicians with high approval ratings.
- Public, accessible, and standardized lists communicating treatment and medications that require prior authorization

1. https://www.ama-assn.org/practice-management/prior-authorization/what-prior-authorization
2. https://old-prod.asco.org/node/141656
3. https://www.ama-assn.org/system/files/prior-auth-reforms-issue-brief.pdf

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