



PRIOR AUTHORIZATION FACT SHEET



WHAT IS PRIOR AUTHORIZATION?

Prior authorization is a process that requires physicians and other health care professionals to obtain advanced 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



REFORM PRIOR AUTH IN NORTH CAROLINA

- 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>