

**Prior authorization (PA)** is the requirement that a physician obtain approval from the health insurance plan before a patient can receive a treatment or medication. PA requirements are often arbitrary and opaque, and criteria vary considerably between health plans and can even change frequently within the same plan.

## Why is this issue important?



Employers face the challenge of providing health care benefits that offer access to quality care while also managing costs and bargaining benefit contracts.

To strike the right balance, employers need to understand insurers' utilization management policies, such as PA. Benefit plans with excessive PA requirements are not in employees' best interest due to the associated care delays and negative health outcomes. In addition, PA can block access to care that you and your employees have already paid for via subsidies and premiums. **Employers need to join the conversation about PA and understand why it may ultimately not be such a bargain for their employee population or their business.**

## Get the Facts

Insurers tout PA as a cost-saving measure, but it can lead to absenteeism and reduced productivity if employees can't receive timely care and subsequently experience negative health outcomes. **It is paramount that employers learn about PA and its possible impact on their employees.** PA is a growing problem: the [2020 AMA Prior Authorization Physician Survey](#) reveals some concerning facts about PA's effect on patient care, and the [2020 PA Progress Report](#) shows an increase in PAs over the past 5 years.

**30%** of physicians report that PA has led to a serious adverse event for a patient in their care. [Watch Video](#) ▶

**94%** of physicians report PA delays necessary care. This may cause an employee to miss work or be less productive because they can't access the care they need to be healthy. [Watch Video](#) ▶

**79%** of physicians report that PA can lead to treatment abandonment. PA-related delays may lead employees to give up and forgo treatment, leading to continued illness or worsening health. [Watch Video](#) ▶

Learn more about the effects of prior authorization at [FixPriorAuth.org](https://FixPriorAuth.org)

## Case Studies

Each employer has particular health benefit needs based on their employee population. Below are two case studies that show how PA impacts employees with common health issues.

### Case Study #1: Diabetes

Diabetes impacts 1/3 of Americans and is the focus of many employer health and wellness programs. **PA can delay or prevent patients from accessing the medication and supplies needed to manage diabetes.**

*An AMA survey of patients with diabetes revealed that:*

**Over 1 in 5 reported delays**  
in treatment due to PA

**Nearly 1 in 5**  
had to ration or skip doses  
of medication due to PA

**13% were hospitalized**  
due to PA

**30% paid out of pocket**  
to get timely care

### Case Study #2: Substance Use Disorder

Many employers focus on ensuring employees receive adequate and timely treatment for substance use disorder (SUD). **PA can interfere with patients receiving SUD treatment, which is why many states have passed SUD-specific PA reforms.**

*This study looked at nearly 950,000 Medicare beneficiaries between 2012-2017. Key findings show the removal of PA was associated with:*

**A 29% decrease**  
in SUD-related emergency room visits

**Approximately 28% decrease**  
in SUD-related inpatient admissions

**A 36% decrease**  
in emergency room visits

**Approximately 24% decrease**  
in inpatient admissions

## What can employers do?

- ?** **Ask health insurance plans questions** during the next benefit contracting season. [Click here](#) for a list of questions to ask health plans about how their PA requirements may impact your workforce.
- 💬** **Solicit feedback from your employees** about their experience with prior authorization through: a benefit satisfaction survey, anonymous HR complaint line, or open engagement with HR representatives.
- 👉** **Take action by visiting** [FixPriorAuth.org](https://FixPriorAuth.org) to learn more, submit stories, and sign our petition.
- !** **Encourage your employees to get involved!**

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## Learn More

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*Learn more about this issue with the resources below:*

### PA Reform Principles & Agreement

- [Prior Authorization and Utilization Management Reform Principles](#)
- [Agreement between health care professionals and insurers on the need for PA reform](#)

### Scholarly articles

- [Analysis of the Impact of Prior Authorization for Type 2 Diabetes](#)
- [Treatment Delays Associated With Prior Authorization for Infusible Medications: A Cohort Study](#)

### News

- [Baltimore Sun Op-Ed: Time to Fix Prior Authorization](#)
- [It's Not Just Insulin: Diabetes Patients Struggle to Get Crucial Supplies](#)
- [Latest PA News](#)

### Patient Stories

- [Hear a patient story about a life-threatening prior authorization delay.](#)
- [Access patient and physician stories about the real-life impact of PA.](#)

## Contact Us

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*If you would like to learn more or share your thoughts, please contact us at [fixpriorauth@ama-assn.org](mailto:fixpriorauth@ama-assn.org).*



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