

April 19, 2023

The Honorable Brooke Pinto
Council of the District of Columbia
1350 Pennsylvania Ave., NW
John A. Wilson Building, Room 106
Washington, DC 20004-3051

Re: AMA Support for Prior Authorization Reform Amendment Act of 2023

Dear Councilmember Pinto:

On behalf of the physician and student members of the American Medical Association (AMA), I write to state our support for the Prior Authorization Reform Amendment Act of 2023, DC Bill (B) 25-0124. This legislation would go a long way in reducing the burden of the prior authorization process on patients and physicians and takes reasonable steps to right-sizing ballooning prior authorization programs.

Prior authorization's harmful impact on patients

As health plans continue to use prior authorization programs as a means of reducing their immediate costs under the guise of managing care, the AMA is hearing from both physicians and patients about delays in care that result from prior authorization requirements. [AMA survey data](#) released last month show that 94 percent of physicians report care delays because of prior authorizations. These delays directly impact patients' health as the same survey found that **89 percent of physicians surveyed saw prior authorization as having a negative effect on their patients' clinical outcomes** and 80 percent indicated that patients abandon treatment due to prior authorization struggles with health insurers. Alarming, AMA data also show that **33 percent of physicians report that prior authorization has led to a serious adverse event for a patient in their care, such as hospitalization, permanent impairment, or death.** Given this data, it is hard to imagine how we, as a society, can permit health insurers to continue their prior authorization programs when patients are so clearly being harmed by these requirements.

Prior authorization's costs to physician practices

Costs to the health care system due to prior authorization are playing out in physician practices all across the District of Columbia. Physician offices find themselves using inordinate amounts of staff time and resources submitting prior authorization paperwork to justify to health plan bureaucrats, medically necessary care for their patients. In fact, **AMA survey data show that, on average, physician practices complete 45 prior authorizations per physician per week.** This adds up to nearly two business days, or 14 hours, each week dedicated to completing prior authorizations. Moreover, 35 percent of physicians have staff who work *exclusively* on prior authorizations.

Another prior authorization cost that cannot be easily measured through statistics or surveys is the moral harm to physicians who are struggling to hire staff for their practices, get back on their feet following the pandemic, and focus on what they were trained to do—provide care to patients. Rather than focusing on patient care, physicians are being forced to accommodate endless health insurer requirements that dictate how they treat their patients and recklessly intrude into the patient-physician decision making process. The country is facing a looming [physician workforce shortage](#) and data suggest that [one in every five physicians is planning to leave practice within two years](#). To be clear, [physicians are burnt out](#) and administrative burdens, especially prior authorization, play a major role in that burn out, as 88 percent of physicians describe the burden associated with prior authorization as high or extremely high.

Prior authorization's economic and societal costs

In addition to the harmful individual patient impact, there is no economic rationale for the volume of prior authorizations. Prior authorization leads to increased health care resource utilization by preventing patients from receiving the right care at the right time. AMA survey data found that **64 percent of physicians report that prior authorization has led to ineffective initial treatments**, 62 percent report that prior authorization has resulted in additional office visits, and 46 percent report immediate care or emergency room visits because of prior authorization requirements.

Additionally, by delaying care, undercutting recovery, and reducing the stability of patients' health, excessive prior authorization requirements increase workforce costs as patients miss work or may not be as productive in their jobs. For example, AMA survey data show that of physicians who treat patients between the ages of 18 and 65 currently in the workforce, 58 percent report that prior authorization has interfered with a patient's ability to perform their job responsibilities.

Importance of the Prior Authorization Reform Amendment Act of 2023

The Prior Authorization Reform Amendment Act of 2023 attempts to address several of these prior authorization problems through reasonable reforms that many states have already enacted. For example, the legislation would help protect patients from the delays and harms associated with prior authorization by reducing the frequency for which prior authorizations are required. Patients with chronic conditions or long-term diseases would especially benefit, as repeat prior authorization for treatment which they already receive would be prohibited. Furthermore, those in need of treatment for opioid use disorder would not be forced to wait for a prior authorization before accessing such critical care.

The bill would also reduce the time for which patients wait for health plan decisions—down to 24 hours for urgent care requests—improving health outcomes for those most in need of expedient care. Moreover, patients switching health plans would not be immediately subject to new prior authorization requirements and resulting delays, helping to prevent gaps in care on which patients may be reliant and stable. This provision could be particularly important for those current Medicaid recipients as they transition to other coverage during the unwinding of the Medicaid continuous enrollment provision.

B25-1024 will also ensure that when prior authorization is denied, it is done so by a licensed physician of the same or similar specialty, which will likely reduce the number of inappropriate denials and the need to pursue appeals. The legislation would also increase the transparency of the prior authorization process through, for example, a requirement that plans post prior authorization statistics on approvals, denials and appeals—perhaps helping lawmakers and other stakeholders make more targeted reforms in the future.

Because of these, and many more reforms in this bill, enactment of the Prior Authorization Reform Amendment Act of 2023 is of critical importance to patients, physician practices, and our society.

The Honorable Brooke Pinto

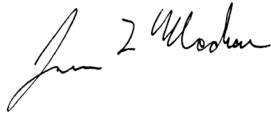
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Next steps

The AMA appreciates your commitment to improving the prior authorization process and stands ready, along with our colleagues at the Medical Society of the District of Columbia, to work with you towards passage of the Prior Authorization Reform Amendment Act of 2023. If we can be of any assistance, please contact Emily Carroll, Senior Attorney, Advocacy Resource Center, at emily.carroll@ama-assn.org.

Sincerely,

A handwritten signature in black ink, appearing to read "James L. Madara". The signature is written in a cursive style with a large initial "J" and "M".

James L. Madara, MD

cc: The Honorable Kenyan R. McDuffie
Members of the Committee on Business and Economic Development
Medical Society of the District of Columbia