

June 27, 2022

The Honorable Frank Pallone
Chairman
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Diana DeGette
Subcommittee Chair
House Committee on Energy and Commerce
Subcommittee on Oversight and Investigation
2111 Rayburn House Office Building
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
Ranking Member
House Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Morgan Griffith
Ranking Member
House Committee on Energy and Commerce
Subcommittee on Oversight and Investigation
2202 Longworth House Office Building
Washington, DC 20515

Dear Chairman Pallone, Ranking Member McMorris Rodgers, Subcommittee Chair DeGette, and Subcommittee Ranking Member Griffith:

On behalf of the physician and medical student members of the American Medical Association (AMA), we are writing to offer our comments on the U.S. Department of Health and Human Services (HHS) Office of Inspector General (OIG) report released on April 27, 2022.¹ In the report, the OIG expresses their concerns about patient access to medically necessary care administered by Medicare Advantage Organizations (MAO). The OIG details that MAO plans are denying prior authorization (PA) and payment requests that met Medicare coverage rules by using MAO clinical criteria that are not contained in Medicare coverage rules, requesting unnecessary documentation from physicians, and making manual review and system errors.

The OIG's report is consistent with what we hear from our physician members. In 2021, the AMA released survey data of physicians showing that the payers' PA decision-making is persistently responsible for serious harm when necessary medical care is delayed, denied, or disrupted.² Nearly a third of physicians reported that health plans rarely or never use evidence-based criteria in their PA programs. Further, 91 percent of physicians reported a negative impact on clinical outcomes due to the PA process and 82 percent of the physicians surveyed indicated that patients abandon treatment due to authorization struggles with health insurers. Most shockingly, 34 percent of physicians reported that PA has led to a serious adverse event for a patient in their care—with nearly one in 10 physicians reporting PA has led to patient disability/permanent bodily damage, congenital anomaly/birth defect, or death. These survey results highlight that despite the mounting evidence that insurer-imposed authorizations for drugs and medical services can be a hazardous and burdensome administrative obstacle to patient-centered care, the health insurer industry continues to show apathetic or ineffectual follow-through on mutually accepted reforms to the PA process.

¹ <https://oig.hhs.gov/oei/reports/OEI-09-18-00260.pdf>

² <https://www.ama-assn.org/system/files/prior-authorization-survey.pdf>

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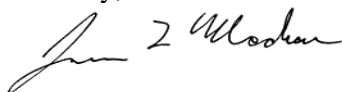
The AMA has long been concerned about the PA process and its negative impact on patients, as highlighted by the survey results, we frequently hear from physicians and patients about delays in care that result from these burdensome insurer protocols. In addition to the harmful individual patient impact, the economic impact of PA protocols has led to unnecessary costs to the health care system with physician offices finding themselves using inordinate amounts of staff time and resources submitting PA documentation to health plans to justify medical necessity for their patients. It is also important to highlight that these PA burdens continue to place administrative pressure on physician practices as they continue to face staff shortages and attempt to regain their footing following the COVID-19 pandemic.

The findings from the AMA physician survey call into question whether the health insurance industry can be relied upon to voluntarily expedite comprehensive reform to the cumbersome PA process that delays and disrupts patient-centric care. In January 2018, the AMA and other national organizations and health plans representing pharmacists, medical groups, hospitals and health insurers signed a [consensus statement](#) outlining a shared commitment to five key reforms for the PA process. Taken together, the five reforms promote safe, timely, and affordable access to evidence-based care for patients; enhanced efficiency; and reduced administrative burdens. It is clear that the goal of comprehensive reform is far from complete. Despite increasing evidence of harm due to PA protocols, most health plans have made no meaningful progress on reforms. The AMA is fearful that, if not addressed with swift action on behalf of Congress, the PA process used by MAO plans will result in patients continuing to be harmed and physicians continuing to struggle with an overwhelming amount of administrative burden.

To address excessive and unnecessary PA requirements and improve care delivery for America's seniors, the AMA strongly supports HR 3173/S 3018 the *"Improving Seniors' Timely Access to Care Act of 2021."* This important legislation, which currently has the support of more than 302 bipartisan cosponsors, would require MAO plans to implement a streamlined electronic PA process in compliance with HHS technical standards, require increased transparency for beneficiaries and providers, ensure that care and treatments that routinely receive pre-approval are not subjected to unnecessary delays, and require MAO plans to meet certain beneficiary protection standards, such as ensuring continuity of care when patients change plans. Efforts to standardize, streamline, and simplify PA within MAO plans will improve the overarching timeliness of patient care and minimize physician burden while complementing efforts to strategically enhance health coverage offered through the Affordable Care Act and Medicare.

The AMA reiterates that current PA systems do not prioritize patient access to timely, optimal care and can lead to serious adverse consequences for waiting patients, such as a hospitalization, disability, or death. PA protocols are currently being overused, costly, inefficient, and have proven responsible for patient care delays, especially in MAO plans. The AMA appreciates the opportunity to provide these comments and looks forward to working with you as you develop legislation to implement positive changes to our nation's health care system infrastructure.

Sincerely,



James L. Madara, MD