February 28, 2019

The Honorable Seema Verma
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Hubert H. Humphrey Building, Room 445–G
200 Independence Avenue, SW
Washington, DC 20201

Dear Administrator Verma:

The undersigned organizations are writing to urge the Centers for Medicare & Medicaid Services (CMS) to provide guidance to Medicare Advantage (MA) plans on prior authorization (PA) processes through its 2020 Call Letter. **CMS' guidance should direct plans to target PA requirements where they are needed most. Specifically, CMS should require MA plans to selectively apply PA requirements and provide examples of criteria to be used for such programs, including, for example, ordering/prescribing patterns that align with evidence-based guidelines and historically high PA approval rates.** At a time when CMS has prioritized regulatory burden reduction in the patient-provider relationship through its Patients Over Paperwork initiative, we believe such guidance will help promote safe, timely, and affordable access to care for patients; enhance efficiency; and reduce administrative burden on physician practices.

A Consensus Statement on Improving the Prior Authorization Process, issued by the AMA, the American Hospital Association, America's Health Insurance Plans, the American Pharmacists Association, Blue Cross Blue Shield Association, and the Medical Group Management Association in January 2018, identified opportunities to improve the prior authorization process, with the goals of promoting safe, timely, and affordable access to evidence-based care for patients; enhancing efficiency; and reducing administrative burdens.[1] It notes that the PA process can be burdensome for all involved—health care providers, health plans, and patients—and that plans should target PA requirements where they are needed most. Providers and health plans agree that making policy changes that eliminate PA on services for which there is low variation in care, promote greater transparency regarding which services are subject to PA, and protect patients to ensure PA does not impact continuity of ongoing care are essential. **We urge CMS to require MA plans to follow the important concepts outlined in the Consensus Statement to improve MA patients' access to timely, medically necessary care.**

PA programs can create significant treatment barriers by delaying the start or continuation of necessary treatment, which may in turn adversely affect patient health outcomes. According to a 2018 AMA survey of 1,000 practicing physicians (AMA Survey), **91 percent of physicians said**

[1] Consensus Statement available at https://www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/public/arc-public/prior-authorization-consensus-statement.pdf.

that PA can delay a patient's access to necessary care.[2] These delays may have serious implications for patients and their health, as **75 percent of physicians reported that PA can lead to treatment abandonment, and 91 percent indicated that PA can have a negative impact on patient clinical outcomes**. Most alarmingly, 28 percent of physicians indicated that PA has led to a serious adverse event (e.g., death, hospitalization, disability/permanent bodily damage) for a patient in their care.

A U.S. Department of Health and Human Services (HHS) Office of Inspector General (OIG) review of MA service denials in 2014-2016 reinforces the point that utilization management requirements can prevent patients from receiving medically necessary care.[3] The OIG found that more than 116,800 PA requests that were initially denied were eventually overturned on appeal. These overturned denials represent that the treatments sought were determined to indeed be medically necessary. This figure is particularly concerning because beneficiaries and providers appealed only one percent of denials.

Additionally, the very time-consuming processes used in these programs also burden physicians and other health care professionals and divert valuable resources away from direct patient care. The AMA Survey shows that practices complete an average of 31 PA requests per physician per week, and this PA workload consumes 14.9 hours—nearly two business days—per week of physician and staff time. An overwhelming majority (86 percent) of physicians characterized PA-related burdens as high or extremely high. Moreover, PA hassles have been growing over time, with 88 percent of physicians reporting that PA burdens have increased over the past five years. We note, too, that while PA processes can be made more efficient through automation, refining the process and reducing the volume of PA is critical; even a fully automated process will result in administrative costs for providers and plans and can negatively impact care delivery. For example, a seamless electronic PA process does not help a patient who suddenly cannot get a chronic medication they have taken successfully for years due to PA requirements under a new plan.

Finally, we have serious concerns about CMS's recent notification to MA plans that they will no longer be prohibited from utilizing step therapy protocols for physician administered drugs covered under Medicare Part B this year. **We find the growing trend towards the use of restrictive and burdensome utilization management tactics by payors concerning and urge CMS to reconsider its stance on this critical patient care issue.** To that end, we appreciate Secretary Azar's recent comments before the AMA's National Advocacy Conference stating that it is "disturbing" that patients switching from one insurance plan to the next can be required to start over for a step therapy or "fail-first" regimen, and that such a policy is "not just injurious to [the patient's] health, it is also penny wise and pound foolish."

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[2] Survey summary available at https://www.ama-assn.org/system/files/2019-02/prior-auth-2018.pdf.
[3] HHS OIG, Medicare Advantage Appeal Outcomes and Audit Findings Raise Concerns About Service and Payment Denials, (Sept. 2018), available at https://oig.hhs.gov/oei/reports/oei-09-16-00410.asp.

In sum, MA plans should target PA requirements where they are needed most and refrain from implementing PA practices that not only increase burden but also jeopardize patient health. We again urge CMS to provide guidance to MA plans on PA processes through its 2020 Call Letter, reiterating the care delays associated with PA and the resulting impact on beneficiaries and their health. The guidance should provide examples of criteria for selective application of PA requirements based on ordering/prescribing patterns that align with evidence-based guidelines and historically high PA approval rates.

Sincerely,

American Medical Association
Advocacy Council of ACAAI
AMDA – The Society for Post-Acute and Long-Term Care Medicine
American Academy of Allergy, Asthma & Immunology
American Academy of Dermatology Association
American Academy of Family Physicians
American Academy of Neurology
American Academy of Ophthalmology
American Academy of Orthopaedic Surgeons
American Academy of Otolaryngology—Head and Neck Surgery
American Academy of Pediatrics
American Academy of Physical Medicine & Rehabilitation
American Association of Clinical Endocrinologists
American Association of Neurological Surgeons
American College of Allergy, Asthma and Immunology
American College of Cardiology
American College of Gastroenterology
American College of Obstetricians and Gynecologists
American College of Osteopathic Internists
American College of Osteopathic Surgeons
American College of Physicians
American College of Radiology
American College of Rheumatology
American College of Surgeons
American Gastroenterological Association
American Osteopathic Association
American Psychiatric Association
American Society for Clinical Pathology
American Society for Dermatologic Surgery Association
American Society for Gastrointestinal Endoscopy
American Society for Radiation Oncology
American Society of Addiction Medicine
American Society of Anesthesiologists
American Society of Cataract & Refractive Surgery

American Society of Clinical Oncology
American Society of Echocardiography
American Society of Hematology
American Society of Plastic Surgeons
American Society of Retina Specialists
American Urogynecologic Society
American Urological Association
Association of American Medical Colleges
College of American Pathologists
Congress of Neurological Surgeons
Heart Rhythm Society
Medical Group Management Association
North American Spine Society
Renal Physicians Association
SCAI - The Society for Cardiovascular Angiography and Interventions
Society for Vascular Surgery
Society of Gynecologic Oncology
Spine Intervention Society

Medical Association of the State of Alabama
Arizona Medical Association
California Medical Association
Colorado Medical Society
Connecticut State Medical Society
Medical Society of Delaware
Medical Society of the District of Columbia
Florida Medical Association Inc
Medical Association of Georgia
Idaho Medical Association
Illinois State Medical Society
Indiana State Medical Association
Iowa Medical Society
Kansas Medical Society
Kentucky Medical Association
Louisiana State Medical Society
Maine Medical Association
MedChi, The Maryland State Medical Society
Massachusetts Medical Society
Michigan State Medical Society
Minnesota Medical Association
Mississippi State Medical Association
Missouri State Medical Association
Montana Medical Association
Nebraska Medical Association

New Hampshire Medical Society
Medical Society of New Jersey
New Mexico Medical Society
Medical Society of the State of New York
North Carolina Medical Society
North Dakota Medical Association
Ohio State Medical Association
Oklahoma State Medical Association
Oregon Medical Association
Pennsylvania Medical Society
Rhode Island Medical Society
South Dakota State Medical Association
Tennessee Medical Association
Texas Medical Association
Vermont Medical Society
Medical Society of Virginia
Washington State Medical Association
West Virginia State Medical Association
Wisconsin Medical Society
Wyoming Medical Society