

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.<sup>1</sup> 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**

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<sup>1</sup> 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.**<sup>2</sup> 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.<sup>3</sup> 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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<sup>2</sup> Survey summary available at <https://www.ama-assn.org/system/files/2019-02/prior-auth-2018.pdf>.

<sup>3</sup> 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