

Prior Authorization delays: causes and impacts

Prior Authorization (PA) is a critical tool in the pharmacy benefits management world. Yet, while PA provides an undeniable benefit, doctors and patients almost universally dislike the PA process. The reason is simple: the way we have traditionally gone about PA is disruptive and frequently causes delays.¹

This inefficient PA system also imposes a high cost on physicians, and on the health care system in general. The American Medical Association recently found that 75% of the doctors surveyed described PA as presenting a **“high or extremely high” burden** to themselves and office staff.²

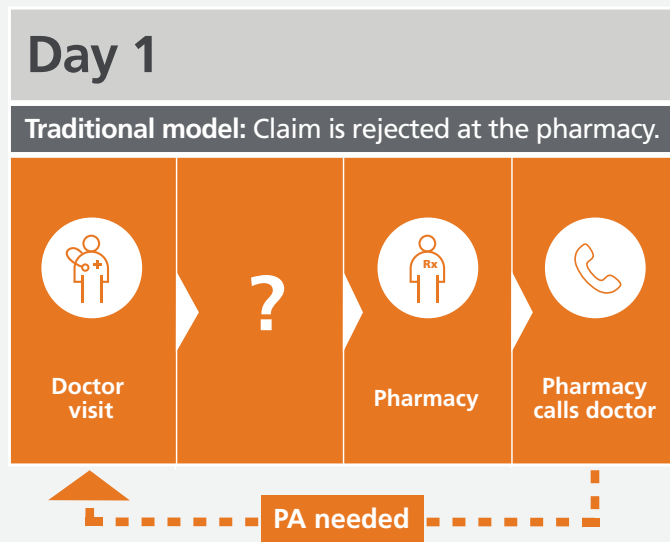
And there is a financial aspect to this burden: the medical community spends the time equivalent of between **\$23 billion and \$31 billion per year** administering insurance matters, including PA.¹

What causes the delays? Many things.

Maybe their doctor didn't know they needed to complete a prior authorization form for this patient, for this drug. Maybe the pharmacy didn't receive the form. Or maybe the insurer decided they needed additional information before they could issue an approval.

Regardless of the exact reason, the result is the same: on top of being sick, too often patients find themselves leaving the pharmacy counter empty-handed – despite having a valid prescription.

Here's a simplified illustration of how traditional PA can lead to frustrating delays:

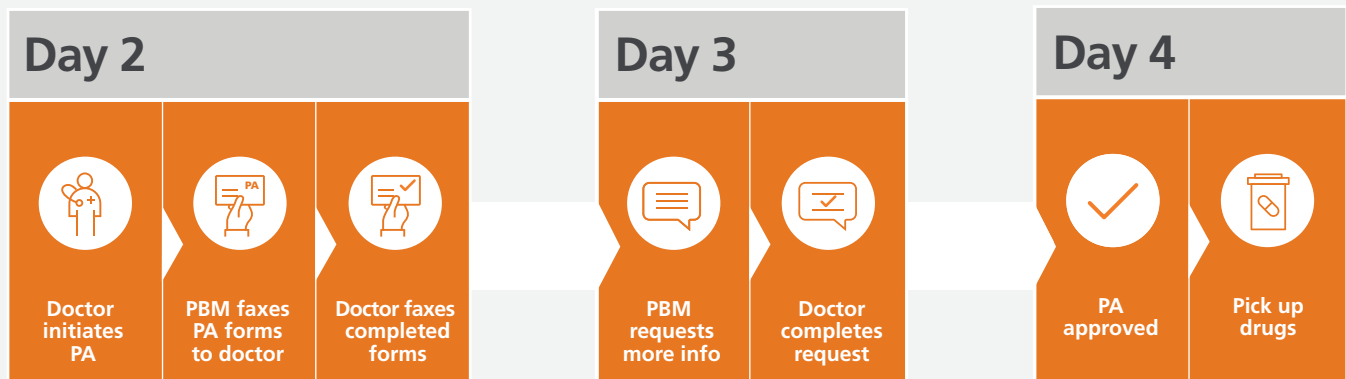


On the left we can see that someone has gone to see a doctor. The doctor decides to issue a prescription. However, with the way things are now, there are many questions – things she does not know and cannot know about the patient and their coverage.

And so the prescription is sent to the pharmacy, in the hope that it will be filled. In this case, we see that it was not. Only now does the doctor discover that she needs to obtain a prior authorization for this drug.

And it's not just the added frustration. PA can also affect the **quality of care**. According to an American Medical Association survey, **two-thirds of physicians said they waited at least a few days** for medication approvals, while over 10% said they waited for **more than a week**.¹

This illustration shows how easily delays can occur:



Notice the reliance on **fax transmissions**, highlighted in boxes two and three. If this seems like an odd, time-warp sort of approach, well, it is.

Most of the rest of the U.S. economy abandoned fax machines back in the 1990s for a very good reason: Fax machines are **terrible** at sending data. For those lucky enough to not remember, faxes were a nightmare of busy signals and blurry prints. And that's when the fax didn't go to the wrong place altogether.⁴

Although none of the problems with fax technology have been solved, the fax is alive and well in the medical sector. The AMA has found that fax machines and telephones are **the most commonly used tools** for completing PAs.² Overall, thanks to a variety of reasons, including incompatible data systems, it's estimated that faxes account for about **75% of all medical communication**.⁴

The illustration above also points to another problem with the traditional PA model: it is **sequential**. This means that data **must flow back and forth** between doctors, pharmacies and PBMs — potentially multiple times for the same prescription — before being authorized for processing at the pharmacy level.

Patient impact

Delays like these are bad news for patients. One special cause for concern is keeping patients adherent with their medications, that is, taking them when and how their doctors have prescribed. Unfortunately, we know that many people have a hard time staying adherent to their medications, even under the best of circumstances.³

Something as simple as having medications due to be refilled on different dates can aggravate the problem. Adding additional trips to the pharmacy or to the doctor, for example, in the case of a rejected PA, can increase the chances that the patient will forget to pick up a medication altogether.³

Nonadherence is a complex subject, and can have many causes. But the overarching principle holds: people who fail to take their prescribed medications can face very serious health consequences. Medication nonadherence has been linked to about 125,000 deaths per year in the United States, while driving hospital admission rates for patients with chronic conditions up by nearly 70%.³

Please see main article for numbered references.