



October 7, 2020

William W. Stead, MD  
Chair  
National Committee on Vital and Health Statistics  
3311 Toledo Road  
Hyattsville, MD 20782-2002

Re: Follow-up to August 25 Hearing on Prior Authorization Operating Rules

Dear Dr. Stead:

On behalf of the nation's hospitals, physicians, patients, and medical group practices represented by our respective organizations, we would like to express our appreciation for the opportunity to provide testimony at the recent hearing held by the National Committee on Vital and Health Statistics (NCVHS) Subcommittee on Standards on prior authorization (PA) operating rules proposed by the Council for Affordable Quality Healthcare (CAQH), Committee on Operating Rules for Information Exchange (CORE) (collectively, the PA Proposed Rules).<sup>1</sup> The alarming negative impact of PA-related care delays on health outcomes, as well as significant administrative burdens and costs, makes PA reform a priority issue for both patients and health care professionals. **We reiterate our strong support for federal adoption of the PA Proposed Rules due to the anticipated meaningful improvements in automation, efficiency, and transparency.**

During the hearing, we were struck by the uniform support for the PA Proposed Rules voiced by national organizations representing patients and health care professionals, as well as representatives of individual health systems. This unity stems from the overwhelmingly negative impact that inappropriately administered PA programs have on both patients and clinicians, as illustrated by data gathered by our groups. In a December 2019 AMA survey, 91% of physicians reported that PA leads to delays in necessary care, with 90% saying that PA has a negative impact on clinical outcomes.<sup>2</sup> Even more distressingly, nearly one-quarter (24%) of physicians indicated that PA has led to a serious adverse event for a patient in their care. This burdensome process also consumes valuable hours of time for both patients and clinicians. In an Arthritis Foundation survey, 48% of patients reported spending more than 5 hours a month managing health coverage, with 17% spending more than 15 hours a month.<sup>3</sup> In the AMA survey, practices reported that the average weekly PA workload for a *single physician* consumes nearly two business days of physician and staff time.<sup>2</sup> Moreover, these administrative hassles continue to grow: 90% of health care leaders polled by MGMA reported that PA requirements increased in 2019.<sup>4</sup> Our

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<sup>1</sup> See generally, CAQH CORE, *Proposed Prior Authorization & Connectivity Rule Package for NCVHS: Contents at a Glance*, available at

[https://www.caqh.org/sites/default/files/core/NCVHS\\_Rule\\_Package\\_Contents.pdf?token=rALnfU8M](https://www.caqh.org/sites/default/files/core/NCVHS_Rule_Package_Contents.pdf?token=rALnfU8M).

<sup>2</sup> 2019 AMA Prior Authorization Physician Survey. Available at: <https://www.ama-assn.org/system/files/2020-06/prior-authorization-survey-2019.pdf>.

<sup>3</sup> Arthritis Foundation survey. Available at: <https://ncvhs.hhs.gov/wp-content/uploads/2020/09/E-Arthritis-Foundation-Slides-Day-One-Anna-Hyde-508.pdf>.

<sup>4</sup> MGMA Stat. Prior Authorization Pains Growing for 9/10 Physician Practices. Available at: <https://www.mgma.com/data/data-stories/prior-authorization-pains-growing-for-9-10-physici>.

organizations believe that adoption of the PA Proposed Rules constitutes a necessary first step in improving the dire current state reflected in these data.

We were pleased to see UnitedHealthcare, the nation's largest commercial payer, voice its support for the PA Proposed Rules. However, in stark contrast, other testifiers representing health plans and vendors at the recent hearing opposed regulatory adoption of the PA Proposed Rules, citing a lack of overall value. This lack of support was surprising: many of the same health plan trade associations and companies who spoke against mandating the rules at the hearing participated in the CAQH CORE process and voted in favor of the PA Proposed Rules. It is important to note that adoption of these PA Proposed Rules closely aligns with the PA reforms outlined in the January 2018 Consensus Statement on Improving the Prior Authorization Process (which was notably signed by America's Health Insurance Plans and the Blue Cross Blue Shield Association), including increased transparency of authorization requirements and automation of the PA process.<sup>5</sup>

The reason for health plans' opposition to these long-overdue improvements becomes clear when placed in the context of PA's unique status among the administrative transactions. Unlike other revenue cycle processes (such as eligibility and claims processing) that are universally implemented across stakeholders, health plans firmly control the application of PA requirements—while patients and health care professionals unilaterally absorb the associated harms and burdens. Any health plan concerns regarding the costs of adopting the operating rules can be mitigated by reducing the volume of PA requirements, as the size of a plan's utilization management program lies entirely within its control. **We urge NCVHS to carefully consider this clear power differential between stakeholder groups in its deliberations on adoption of the PA operating rules.**

Our organizations were part of the initial coalition that released the Prior Authorization and Utilization Management Reform Principles (the Principles) in January 2017; since that time, over 100 other organizations have endorsed these critical PA reforms.<sup>6</sup> We strongly support federal adoption of the PA Proposed Rules because they are an important initial step towards achieving the reforms outlined in these Principles, including reduced processing time, increased automation/efficiency, and enhanced transparency. We wholeheartedly agree with Montefiore Health System's statement during the hearing that "more than just goodwill is necessary to drive efficiencies and automation,"<sup>7</sup> and we maintain that voluntary adoption of the rules will not be sufficient to spur the vendor or health plan technology development necessary to reduce delays and administrative burdens. Furthermore, we believe that waiting for new PA electronic standards (as suggested by some stakeholders) just preserves the unacceptable status quo. While we acknowledge the promise of PA automation projects currently underway, we stress that these sophisticated technologies—unlike the PA Proposed Rules—still require significant vendor and health plan development and testing and are not ready for general deployment, let alone for

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<sup>5</sup> Consensus Statement on Improving the Prior Authorization Process. Available at: <https://www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/public/arc-public/prior-authorization-consensus-statement.pdf>.

<sup>6</sup> Prior Authorization and Utilization Management Reform Principles. Available at: <https://www.ama-assn.org/system/files/2019-06/principles-with-signatory-page-for-slsc.pdf>.

<sup>7</sup> Montefiore Health System testimony, NCVHS Subcommittee on Standards Hearing on Proposed CAQH CORE Prior Authorization Operating Rules. Available at: <https://ncvhs.hhs.gov/wp-content/uploads/2020/09/M-Montefiore-Slides-Day-One-Noam-Nahary-508.pdf>.

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implementation in small or rural medical practices and hospitals. If mandated, these rules will offer a viable, immediately actionable step forward in an area where solutions are long overdue. **We therefore urge NCHVS to promptly recommend federal adoption of the CAQH CORE PA Proposed Rules to bring much-needed relief to patients and health care professionals.**

Thank you in advance for your consideration of these concerns. Each of our organizations welcomes the opportunity to discuss these recommendations in greater depth and to address any questions that you may have. Please do not hesitate to contact any of the individuals listed below:

- Terrence Cunningham, AHA, Director Administrative Simplification Policy, [tcunningham@aha.org](mailto:tcunningham@aha.org)
- Heather McComas, AMA, Director Administrative Simplification Initiatives, [heather.mccomas@ama-assn.org](mailto:heather.mccomas@ama-assn.org)
- Anna Hyde, Arthritis Foundation, Vice President of Advocacy and Access, [ahyde@arthritis.org](mailto:ahyde@arthritis.org)
- Robert Tennant, MGMA, Director Health Information Technology Policy, [rtennant@mgma.org](mailto:rtennant@mgma.org)

Sincerely,

American Hospital Association (AHA)

American Medical Association (AMA)

Arthritis Foundation

Medical Group Management Association (MGMA)

cc: Alexandra Goss, Co-Chair, NCVHS Subcommittee on Standards

Richard W. Landen, Co-Chair, NCVHS Subcommittee on Standards