

Prior Authorization and Step Therapy

REQUEST

The Alliance of Specialty Medicine (Alliance) urges lawmakers to address barriers to specialty care, including prior authorization and step therapy. The Alliance asks representatives to cosponsor the bipartisan “**Restoring the Patient’s Voice Act**” (H.R. 2077), introduced by Representatives Brad Wenstrup, DPM (R-OH) and Raul Ruiz, MD (D-CA); and asks senators to cosponsor the “**Electronic Prior Authorization in Medicare Part D Act**” (S. 2908), introduced by Senators Pat Roberts (R-KS) and Thomas Carper (D-DE). We also urge lawmakers to encourage the Centers for Medicare & Medicaid Services (CMS) to establish **prior authorization guidance** for Medicare Advantage plans, and for Congress to adopt legislation to consolidate Medicare’s **diagnostic imaging appropriate use criteria (AUC) program** into the Quality Payment Program (QPP).

BACKGROUND

Medicare Advantage (MA) and Part D plans employ utilization practices with the main purpose of controlling costs rather than improving patient outcomes. Specialty physicians often experience burdensome challenges and lengthy delays as a result of prior authorization and step therapy when ordering diagnostic, medical and surgical services, and when prescribing necessary medications. The lack of industry-wide standards for the use of electronic prior authorization further complicates this process.

The “**Restoring the Patient’s Voice Act**” would provide for a faster and more transparent appeals process when a patient must meet step therapy requirements. H.R. 2077 would require employer-sponsored health plans to establish a clear and convenient process for physicians to appeal a step therapy protocol for their patients, grant patient exceptions to step therapy under critical circumstances, and expedite care by requiring a timely decision for appeals.

To improve the prior authorization process, the House of Representatives has taken an important first step with the passage of the “**Standardizing Electronic Prior Authorization for Safe Prescribing Act**” as a part of the Preventing Addiction for Susceptible Seniors (PASS) Act of 2018 (H.R. 5773). Passage of the “**Electronic Prior Authorization in Medicare Part D Act**” (S. 2908) is a critical next step to enacting this requirement into law.

The Medicare program requires MA plans to provide coverage equivalent to traditional fee-for-service (FFS) Medicare Part A and Part B. Furthermore, CMS instructions to plans preclude them from using **prior authorization** and other utilization control tools in a manner that imposes inappropriate barriers to access. Despite these requirements, MA plans are overusing and misusing these practices because CMS has not provided adequate guidance on what constitutes appropriate prior authorization, nor does the agency in its oversight role collect adequate data to assess the utility of these programs and their impact on patient access to care.

Finally, similar to prior authorization, per the Patient Access to Medicare Act (PAMA), beginning on January 1, 2020, clinicians must consult with **appropriate use criteria (AUC)** using an approved clinical decision support mechanism (CDSM) before ordering advanced imaging services. The AUC program is also

duplicative of — and even inferior to — the Quality Payment Program, which already holds clinicians accountable for quality and patient outcomes, as well as for resource use, including the use of diagnostic tests and procedures.

RATIONALE

Prior authorization creates burdens on clinicians and limits patients' ability to access the care and medications recommended by their physicians. These burdens are compounded by the use of multiple different prior authorization request forms used by plans across both programs, as well as by many plans' failure to operate prior authorization processes using electronic transactions.

In 2017, the Alliance conducted a survey, finding:

- Nearly 90% of specialists have delayed or avoided prescribing a treatment due to the prior authorization process associated with it.
- 95% of specialists report that this increased administrative burden has influenced their ability to practice medicine. "Never have I spent more time on administrative issues that do nothing but delay appropriate diagnostic and therapeutic intervention."
- More than 80% of specialists have experienced an occasion during which a stable patient was asked to switch from his or her medication by the insurer even though there was no medical reason to do so.

In step therapy, insurers require patients, sometimes even those stable on a certain medication, to try and fail medications before agreeing to cover the initial therapy prescribed by their health care provider. This practice jeopardizes the health of patients and the physician-patient relationship. Further, such policy has been shown not to save money in the long run due to patient complications. Appealing step therapy protocols can be very timely and burdensome for physicians and patients and can take months to resolve.

Finally, while clinicians have embraced AUC, the necessity of a stand-alone AUC program, along with the cost (estimated by the Association for Medical Imaging Management to be \$75,000 or more) and administrative burdens it will impose upon clinicians, is questionable. AUC consultation is inherent within the QPP. Furthermore, CMS has yet to finalize all of the policies that will enable physician practices to prepare for the program, including investments in CDSMs, updating of reporting and billing systems, and incorporating consultation into practice patterns. In fact, a 2015 report by the Government Accountability Office (GAO) found that providers using web-based or stand-alone software applications experienced frustration with the lack of integration between the CDSM and their electronic health record (EHR) system and experienced workflow inefficiencies.

CONTACTS

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SENATE: To cosponsor S. 2908, please contact Bryan_Wells@roberts.senate.gov (Sen. Roberts) or Lynn_Sha@carper.senate.gov (Sen. Carper).