



Minnesota Psychiatric Society

Improving Minnesota's mental health care through education, advocacy and sound psychiatric practice

President Sheila Specker, MD, DFAPA (612-201-9484), Legislative Committee Chair Michael Trangle, MD, DLFAPA (612-859-4471), Executive Director Linda Vukelich (651-278-4241), Lobbyist Tara Erickson (612-280-8998)

PRIOR AUTHORIZATION REFORM - The Minnesota Psychiatric Society (MPS) strongly supports efforts to reign in the overuse practice of prior authorization by Health Maintenance Organizations (HMOs), Pharmacy Benefit Managers (PBMs) and other third-party administrators.

We believe that prior authorization leads to harmful delays in patient care and presents significant administrative and clinical concerns for all providers. Prior authorization rules also interfere with the physicians' ability to practice medicine. The requirement that physicians get prior authorization from insurers before providing a medical service, diagnostic test or medication may be the greatest single bottleneck for the delivery of quality healthcare.

PRIOR AUTHORIZATION ISSUES:

- **PATIENT CARE DELAYS:** Prior authorization complexities come between healthcare providers and their patients every day and often prevents patients from getting the care they need in a timely matter. Some patients, frustrated with the wait and confusing process, abandon their treatment altogether or go with medications or treatments that aren't as effective. Also, when a patient changes to a different health insurance carrier, the new insurer requires a repeat of protocols for treatment under the guise of controlling costs. This can lead to a deterioration in the patient's condition and additional burden for the treating physician. Establishing an approach of accepting the previous insurer's authorization would avoid disruption to a patient's current course of treatment and avoid a potentially costly worsening of the condition.
- **COSTS VALUABLE TIME:** Physicians complete an average of 31 prior authorizations per week which translates into roughly 14.9 hours of their or their staff's time. Two-thirds of providers surveyed by the American Medical Association say on average it takes at least one day to receive an approval or denial after submitting prior authorizations and about 30 percent of providers said prior authorizations can take up to three business days. When someone is in the midst of a severe mental health crisis, three days can be the difference between life and death.
- **ADMINISTRATIVE COMPLEXITIES:** Most credible estimates suggest that as many as 90% of the prior approvals sought from insurers are ultimately approved, but not without the burden of submitting mountains of paperwork and explanations.
- **LACK OF TRANSPARENCY:** Criteria used for prior authorization are unclear and not standardized or uniform and often insurance guidelines don't match medical society recommendations or don't align with common practice.