Top pain-killers for prior authorization headaches

By Rod Moore | May 29, 2019

Obtaining pre-approval is often critical to preserving revenue for hospitals and providers, but keeping up with the constantly changing guidelines from payers is time consuming and costly. Payers are increasingly using prior authorizations to lower their costs by minimizing duplicate care. And as insurance coverage has widened in the post-Affordable Care Act years, navigating benefit requirements has only gotten more complicated.

As a result, obtaining prior authorizations continues to perplex patients and compound the administrative burden on providers — and it's only getting worse.

The good news is that some practices have had success working with health plans to reduce the administrative burden, and new technology promises to automate much of the busywork — particularly when it is offered by vendors who can tackle prior authorizations at scale.

A growing burden

Already identified by the American Academy of Family Physicians as the number one administrative burden, prior authorizations continue to frustrate providers. According to a 2017 MGMA poll, 86 percent of medical practice leaders indicated prior authorization requirements had increased over the past year. The burden is adding significantly to the hours practices must spend with paperwork and calls around prior authorizations, which can in turn contribute to physician burnout.

"We're hearing from members that prior authorizations continue to be a significant and growing challenge for providers," says Katie Gilfillan, of the Healthcare Financial Management Association. "Not only do prior authorizations increase administrative costs to the health system, but also lead to delays in the provision of care, treatment abandonment, and poor patient outcomes. Not to mention it causes clinician and patient dissatisfaction."

In a recent American Medical Association survey of 1,000 physicians who provide at least 20 hours of patient care per week, nearly 90 percent reported that the administrative burden related to prior authorization requests has risen in the last five years, with most saying it has "increased significantly."

Gilfillan says process improvements such as centralizing prior authorizations has proven to cut staff time and resources. "Some providers have had success working with their information systems team to review or suggest changes to automate more processes in the practice management systems, developing automated work queues for working authorizations, or related denials," she said.

Because of advances in machine learning, AI, blockchain etc., it seems prior authorizations are a prime administrative burden to target, Gilfillan says. "The hope is that with new advances in technology, more standardizations around prior authorizations would allow health plans to automate these processes," Gilfillan says.

While automating prior authorizations is an attractive application of new technology, payers and providers have been relatively slow to embrace automated methods—perhaps in part because of adoption fatigue given that electronic medical records and billing systems came with a hefty price tag.

Process Improvements & Automation Pay Off

"Healthcare providers don't have the time and resources to do all of these prior authorizations themselves," says Iliana Peters, shareholder at Pilsinelli PC in Washington, D.C. Perhaps this is why more healthcare providers are working directly with vendors who specialize in prior authorization services.

"Many preauthorization processes, whether they're the provider interacting directly with the health plan, or whether the provider is using a vendor, certainly require the electronic exchange of patient data," says Peters. "And so, to the extent that it can be streamlined in the most efficient way, obviously it benefits everyone."

Gilfillan said she suspects some practices who are "doing prior authorizations well" have been able to work with health plans to eliminate the prior authorization process altogether for certain procedures."I know of an orthopedic group, for example, who was able to eliminate the prior authorization process for arthroscopic knee surgery because they had a high approval rating," Gilfillan says.

Smaller practices though, such as Wilson Stream Family Practice in rural Maine with three providers, have found the administrative burden of obtaining prior authorizations increasingly frustrating. Brenda Belanger, a front office worker, says the primary challenge is having adequate chunks of time to devote to prior authorizations given how unpredictable the time commitment will ultimately be.

"You just don't know how long it's going to take you and once you start, you can't stop or you have to start all over," Belanger says.

In addition to proactive process improvements such as centralization, staff education, and working more closely with health plans, providers have also taken to combining services built around advancements in cloud-based solutions already available for electronic health records. For example, Wilson Stream Family Practice has integrated an authorization management service with their cloud-based electronic health records, which has enabled more time with patients.

"The amount of time it has freed up for us has put us all in a better mood," Belanger said.

A better mood is something providers could use more of if concerns of burnout and fatigue continue to climb, potentially forcing some to leave the profession altogether.

Rod Moore is a frequent contributor to athenaInsight

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