Pre-authorization: (also: prior authorization, prior approval, pre-certification)

This is a requirement that certain services, treatments or prescriptions be submitted to the insurer for review and deemed medically necessary before the patient receives that care.

If a patient doesn’t secure a required pre-authorization, an insurer can deny coverage and the patient must pay the full cost. Even when patients get pre-authorization, it is not a guarantee of payment: insurers can still deny coverage later.

**72-90%** of all pre-authorization requests are approved


**BUT THE TIME-CONSUMING PROCESS,**

- Delays treatments
- Restricts access to medications or specialists
- Increases out-of-pocket costs for patients

SOME HEALTH PLANS USE PRE-AUTHORIZATION AS A GATEKEEPER, knowing that many patients won’t pursue it or won’t appeal when it’s denied, to get the care they need.

Many physicians reported that pre-authorization:

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<th>Percentage</th>
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<td><strong>90%</strong></td>
<td>Negatively impacts patient outcomes.</td>
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<tr>
<td><strong>94%</strong></td>
<td>Delays access to necessary care.</td>
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<td><strong>79%</strong></td>
<td>Leads to patients abandoning their recommended course of treatment.</td>
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<td><strong>30%</strong></td>
<td>Leads to a serious adverse event for their patients.</td>
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(2020 & 2016 AMA Prior Authorization Physician Surveys)

The added step of pre-authorization deters many patients from filling their prescriptions:

- 37% of prescriptions flagged for pre-authorization are abandoned by patients at the pharmacy.

(CoverMyMeds, 2019)

How long a patient had to wait for prescription pre-authorization, even when the majority of similar requests were approved:

31 BUSINESS DAYS

The extra administrative staff and other office overhead needed to handle pre-authorizations comes at a cost to patients, directly and indirectly. It comes in higher insurance premiums, higher prices for service, higher copays.”

~ Dr. Len Lichtenfeld, MD, Oncologist & Former Deputy Chief Medical Officer for the American Cancer Society

**EMPLOYERS CAN** address this by selecting or designing health plans that relax pre-authorization requirements, particularly for chronic conditions and time-sensitive illnesses like cancer.

Scan the QR code to view a short video about pre-authorization. Also available at BetterRxBenefits.org