

AHA Calls for Action to Reduce Inappropriate Prior Authorization and Payment Delays

The American Hospital Association (AHA) has released a new [report](#) highlighting the burden of certain payer policies and practices that contribute to delays in patient care and place undue burdens on both patients and health care providers, while adding unnecessary costs to the system. The report offers policy solutions to reduce the risk and burden of these practices while still enabling health insurance plans to compete on quality, benefit package design, provider networks and other important aspects of coverage.

The report cites several examples of the cost of these practices to hospitals, including more than \$6 billion in delayed or potentially unpaid claims over six months old among 772 surveyed hospitals.

According to the AHA, some insurers—including those that serve the individual and group markets, the Medicare Advantage program and Medicaid programs—are increasingly implementing practices that create barriers to appropriate care and reimbursement. Such barriers include improper use of utilization management programs, inappropriate denial of medically necessary covered services, overly restrictive medical necessity criteria that are not transparent to patients or providers, unnecessary and unreasonable documentation requirements and mid-contract changes to patients' coverage.

In addition to delaying patient care, AHA says these kinds of practices contribute to clinician burnout and significantly drive-up administrative costs for the health care system. The

American Medical Association has also [reported](#) on the patient impacts and administrative burden of prior authorizations, noting that 88% of physicians they surveyed describe the burden associated with prior authorization as high or extremely high. AHA notes that much of this effort and cost is unnecessary. For example, among some insurers, most of the appealed prior authorization denials are ultimately overturned.

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To address the administrative and cost burdens, AHA recommends taking action to standardize prior authorization requirements and processes. AHA also calls on government agencies to ensure necessary oversight to stop inappropriate prior authorization and payment delays and denials. This includes improving collection of key performance metrics, applying financial penalties for inappropriate delays and denials, and ensuring adequate provider networks.

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