

## Reduce Barriers to Healthcare, Improve Patient Access Eliminate Unnecessary Prior Authorization Delays, Improve Patient Outcomes

**IHA Position:** Illinois hospitals and physicians report that prior authorization denials and delays are one of the top challenges to providing healthcare to Medicaid patients. Medicaid managed care organizations (MCOs) use complex and inconsistent prior authorization processes to deny and delay necessary healthcare to patients in Illinois' Medicaid program--and to deny reimbursement to healthcare providers that deliver care to Medicaid patients. Inappropriate denials negatively impact healthcare for Medicaid patients, while reducing MCOs' costs and increasing shareholder profits. These practices are inconsistent with the state's mission and vision for Illinois' Medicaid program and the state's pursuit of health equity. **IHA and the hospital community are advocating for commonsense legislative reforms to streamline access to patient care and improve health outcomes by eliminating inappropriate prior authorization practices and embracing care coordination.**

**A 2023 U.S. Dept. of Healthcare and Human Services (HHS) Office of Inspector General's (OIG) study found that on average, MCOs denied one of every eight requests for prior authorization for Medicaid healthcare services—more than twice the denial rate of Medicare claims.** The OIG study found one Illinois Medicaid MCO's prior authorization denial rate was 41%, while another Illinois MCO denied 15% of prior authorization requests; these two MCOs cover one million Illinois Medicaid recipients. Data show one Illinois MCO reported overturning 57% of denied prior authorization requests on appeal, and another MCO stated it overturns 63% of denied prior authorization requests on appeal.

**Prior authorization delays can further exacerbate the patient's condition, leading to poor outcomes.** An American Medical Association survey found 89% of physicians say prior authorization has a somewhat or significant negative impact on patient outcomes. A *JAMA Network Open* study of cancer patients showed that prior authorization led to delays in care and increased anxiety and patient administrative burden. An American Society of Clinical Oncologists 2022 survey found that nearly all participants report a patient has experienced harm because of prior authorization processes, including disease progression (80%) and loss of life (36%). The American Academy of Family Physicians is among those who contend that prior authorizations "can worsen health disparities and create barriers to care for medically underserved patients, patients of color, LGBTQ+ patients, patients in rural areas, and those at risk for poor health outcomes."

**Cumbersome and unnecessarily burdensome prior authorization policies can result in days-long waits for transfer to receive appropriate, non-emergent care.** Delayed authorization contributes to ED boarding, a practice the American College of Emergency Physicians has deemed a public health crisis. Research shows that boarding leads to worse patient outcomes, including increased mortality, and contributes to violence in the ED.

**Conflicting, confusing and frequently changing prior authorization administrative requirements contribute to healthcare worker burnout.** A 2022 U.S. Surgeon General Advisory cited MCO prior authorization inefficiencies and overall administrative burden as a factor in healthcare worker burnout. Ninety-five percent of hospitals and health systems report increases in staff time spent seeking prior authorization approval.