

Using Prior Authorization to Promote Appropriate Imaging Services

Independent studies show – and doctors agree – that differences in how care is provided to patients can lead to inappropriate, unnecessary, and more costly medical treatments that can harm patients. Prior authorization can help ensure that patients are getting the right care at the right time, and in the right setting.

Too often, Americans are receiving unsafe or low-value care, or care which may not be consistent with the latest clinical evidence – all of which can contribute to potential harm to patients and unnecessary costs.

- A 2019 [study](#) in JAMA found that “the estimated cost of waste in the U.S. health care system ranged from \$760 billion to \$935 billion, approximately 25% of total health care spending.”
- A 2018 [report](#) to Congress reviewed evidence from Medicare, Medicaid, and commercial payers and concluded that a significant percentage of patients received low-value care, resulting in between \$2.4 billion and \$6.5 billion in Medicare spending in 2014 alone.
- 65% of physicians themselves have [reported](#) that at least 15-30% of medical care is unnecessary.
- A [claims analysis](#) of 5 measures of appropriate care across several health insurance providers showed that about 10% of physicians provided care inconsistent with evidence-based standards agreed upon by relevant specialists.

Prior authorization is one of the many tools health insurance providers use to promote safe, timely, evidence-based, affordable, and efficient care.

- Under the supervision of medical professionals, **prior authorization can reduce inappropriate care** by catching unsafe or low-value care and targeting where care may not be consistent with the latest clinical evidence – all of which can contribute to potential harm to patients and unnecessary costs.
- In fact, the vast majority of health insurance providers [report](#) that their programs have had an overall **positive impact on quality of care (91%), affordability (91%), and patient safety (84%)**.

Prior authorization is increasingly being relied upon by government-sponsored health care programs like [Medicare](#) and Medicaid.

- Original Medicare has used prior authorization since 2017 for certain durable medical equipment, prosthetics, orthotics, and supplies that are frequently subject to unnecessary utilization and has recently expanded prior authorization for cosmetic and other services where there has been an unnecessary increase in volume.
- Original Medicare has also implemented a number of prior authorization demonstration projects for specific services, such as repetitive, scheduled, non-emergency ambulance transports, non-emergent hyperbaric oxygen therapy, home health services, and power mobility devices.

Medicare's Appropriate Use Criteria (AUC) Program targets prior authorization to practitioners who order advanced diagnostic imaging services inconsistent with appropriate, evidence-based care.

- The Protecting Access to Medicare Act of 2014 established a new program to increase the rate of appropriate advanced diagnostic imaging services provided to Medicare beneficiaries, including CT, PET, and MRIs.
- Practitioners will be required to consult a qualified Clinical Decision Support Mechanism (CDSM) – an electronic portal that contains criteria on the appropriate use of imaging services – in order to receive payment.
- Practitioners whose ordering patterns are considered outliers will be subject to prior authorization.
- The AUC Program is currently in an Education and Operations Testing Period and is anticipated to be fully implemented on the later of January 1, 2023, or the January 1 that follows the declared end of the public health emergency for COVID-19.
- Health insurance providers have provided technical assistance to the Centers for Medicare & Medicaid Services (CMS) throughout the development of the AUC Program and are committed to continuing to work with CMS in designing and implementing prior authorization programs that promote affordable, appropriate care, improve quality and outcomes, and protect patient safety.

Efforts to limit or eliminate the use of prior authorization ignore the important role it plays in improving affordability, safety, and quality for everyone.

- Health insurance providers know that prior authorization can be improved and are committed to reducing unnecessary burden; increasing patient satisfaction; and improving affordability, safety, and quality.
- Health insurance providers are implementing innovative solutions to streamline processes, improve the safety and quality of care, reduce costs, and enhance patients' overall care experience.
- For example, our [Fast PATH](#) initiative shows how moving to electronic prior authorization can dramatically improve the process for patients and providers.
- When patients do better, we all do better – for healthier individuals, a healthier community, and a healthier nation.

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