AMERICAN MEDICAL ASSOCIATION HOUSE OF DELEGATES

Resolution:

Introduced by: Georgia

Subject: Reimbursement for Prior Approval Requirements

Referred to: Reference Committee

Whereas, physician’s offices are required to complete prior approval requests for their patients to obtain some of their medications; and

Whereas, this can include anything from the completion of forms to actual physician to physician peer to peer discussions; and

Whereas, this requirement is very costly to the physicians’ offices and has been estimated to cost each physician $80,000 per year in unreimbursed medical practice expenses; now therefore be it

RESOLVED, That our American Medical Association (AMA) develop a methodology for physician reimbursement from insurance companies to compensate for the medical practice expenses of completing prior approval requirements.

Fiscal Note: Not yet determined

Received:

RELEVANT AMA POLICY

D-125.992 Opposition to Prescription Prior Approval
Our AMA will urge public and private payers who use prior authorization programs for prescription drugs to minimize administrative burdens on prescribing physicians. (Sub. Res. 529, A-05; Reaffirmation A-06; Reaffirmation A-08; Reaffirmed in lieu of Res. 822, I-11)

H-385.948 Reasonable Charge for Preauthorization
The AMA strongly supports and advocates fair compensation for a physician's administrative costs when providing service to managed care patients. (Res. 815, A-97; Reaffirmation A-04; Reaffirmation A-10; Reaffirmed: CMS Rep. 4, I-10; Reaffirmed in lieu of Res. 719, A-11; Reaffirmed in lieu of Res. 721, A-11)

H-385.951 Remuneration for Physician Services
1. Our AMA actively supports payment to physicians by contractors and third party payers for physician time and efforts in providing case management and supervisory services, including but
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not limited to coordination of care and office staff time spent to comply with third party payer protocols. 2. It is AMA policy that insurers pay physicians fair compensation for work associated with prior authorizations, including pre-certifications and prior notifications, that reflects the actual time expended by physicians to comply with insurer requirements and that compensates physicians fully for the legal risks inherent in such work. 3. Our AMA urges insurers to adhere to the AMA’s Health Insurer Code of Conduct Principles including specifically that requirements imposed on physicians to obtain prior authorizations, including pre-certifications and prior notifications, must be minimized and streamlined and health insurers must maintain sufficient staff to respond promptly. (Sub. Res. 814, A-96; Reaffirmation A-02; Reaffirmation I-08; Reaffirmation I-09; Appended: Sub. Res. 126, A-10; Reaffirmed in lieu of Res. 719, A-11; Reaffirmed in lieu of Res. 721, A-11; Reaffirmation A-11; Reaffirmed in lieu of Res. 822, I-11)