

Kansas Advocacy Issue

Reform and Standardize Prior Authorization Process

Action Needed

Prior authorization is a tool used by health insurance plans to ensure patients receive the proper care at the right time. While Kansas hospitals support this goal, insurance many plans are applying prior authorization requirements in ways that create delays in care and drive up health care costs.

The Kansas Hospital Association surveyed members to determine if Kansas hospitals experienced prior authorization delays and denials in 2021 – 100 percent responded ‘yes.’ Among those hospitals, 91 percent indicated prior authorization negatively impact clinical patient outcomes. Serious adverse events were reported by 43 percent of the hospitals, including more prolonged recovery time, additional hospitalization and/or readmission, permanent disability and even death.

As Kansas hospitals struggle with staffing, the PA process impacts not just the patients for whom providers are seeking authorization but also other patients. Although the reported average time to process a complex prior authorization is 90 minutes, hospitals reported the PA process taking as long as 5 hours. An average of 90 minutes doesn’t seem particularly significant until one considers that 13 percent of the responding hospitals, all large urban hospitals, indicated they are doing 40 or more prior authorizations per physician per week. If each PA takes an average of 90 minutes, then 60 hours is spent each week pursuing approval of care. The average for critical access hospitals, which are mostly smaller rural hospitals, is 10 prior authorizations per physician per week or 15 hours a week per physician. Time spent chasing prior authorizations is time away from patient care.

Currently, prior authorization denial rates are 15 percent or less. When you review the investment of hospital resources fulfilling this process and the insurance denial rate, it leads to patient frustration and abandoned care strategies.

Finally, in addition to the negative impact on patient care, there is also the cost of prior authorizations, which requires significant technical infrastructure, as well as staff time. It results in increased, and in the case of delayed discharges, unnecessary consumption of health care resources. Health plans rarely pay for additional days, leaving providers to absorb the unnecessary costs due to the prior authorization process. In closing, all signals point to an administrative process needing reform.

Bottom Line:

We need reforms for prior authorizations including a standardization of requirements, timelines and appeals as well as better oversight to curb inappropriate delays and denials.



Chad Austin
President and CEO
caustin@kha-net.org
(785) 233-7436 (office)
(785) 213-0904 (cell)

Audrey Dunkel
Vice President
Government Relations
adunkel@kha-net.org
(785) 276-3116 (office)
(785) 221-8789 (cell)



Follow the Kansas Hospital Association on our social media platforms!

@kansashospitals