

The Value of Prior Authorization

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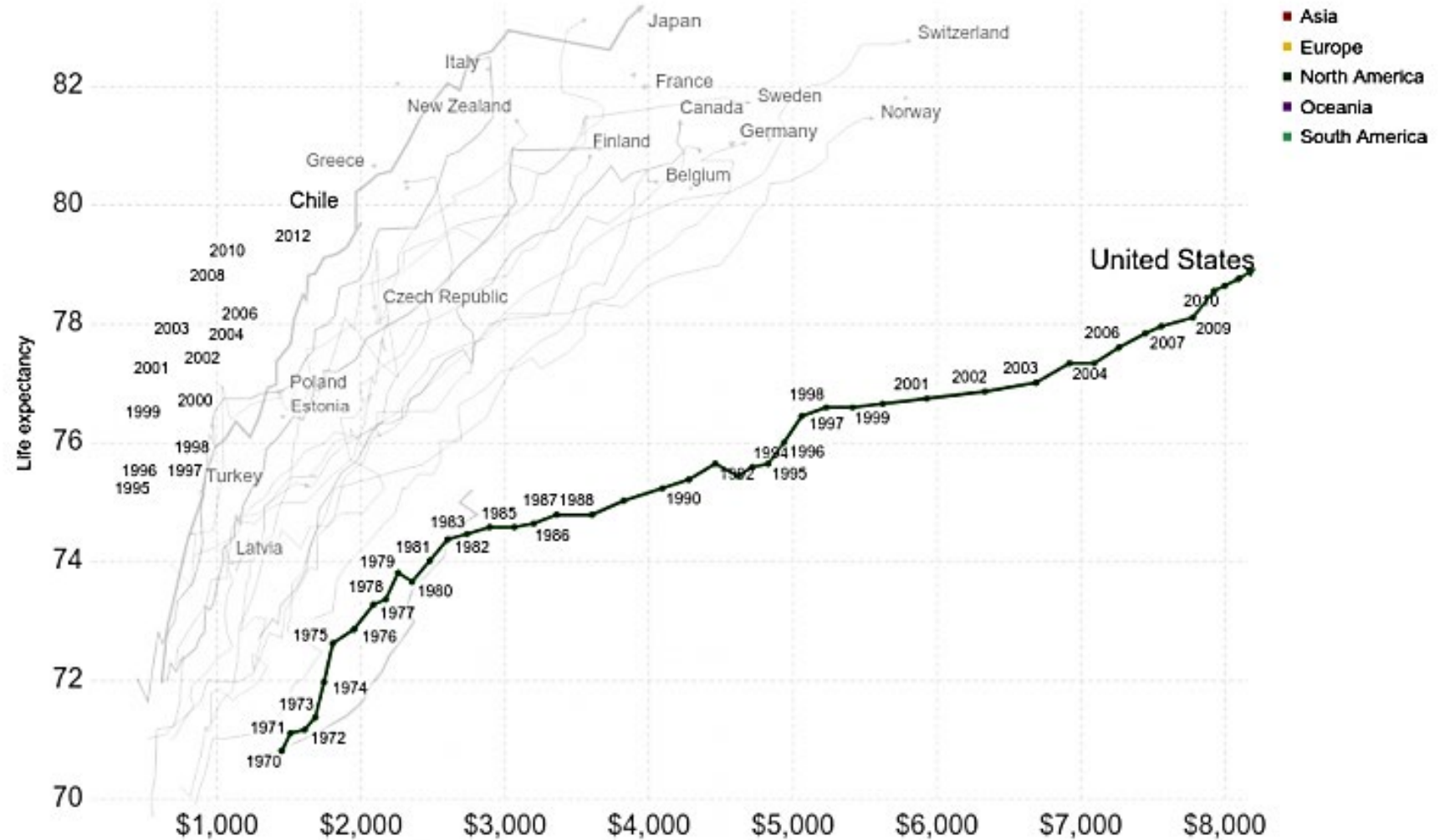
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United States Healthcare in Comparison

Life expectancy vs. health expenditure over time, 1970 to 2013

Health financing is reported as the annual per capita health expenditure and is adjusted for inflation and price level differences between countries (measured in 2010 international dollars).



Source: Health Expenditure and Financing- OECDstat, World Bank – World Development Indicators (Life Expectancy at birth)

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Drivers of Poor Performance

- Health is not all about healthcare.
 - **20%** Medical Care
 - **80%** Genetics, Behavior, Environment/
Physical, Social
- Low-value care is prevalent.
 - **\$75.7 billion – \$101.2 billion** annually
 - Associated with harmful patient outcomes
 - Associated with further unnecessary testing
- Up to **30%** of current healthcare spending is wasted.

<https://www.cdc.gov/nchstp/socialdeterminants/faq.html>

Shrank WH, Rogstad TL, Parekh N. Waste in the US health care system: estimated costs and potential for savings. *JAMA*. 2019;322(15):1501-1509.

<https://www.dartmouthatlas.org/faq/>



What Is High-Value Care?

- Improves Health
- Avoids Harms
- Eliminates Wasteful Practices

Balances benefits with costs and harms.



Choosing Wisely

For clinicians:

Evidence-based recommendations from specialty societies

Example: Society of Hospital Medicine – Don't order daily chest x-rays in hospitalized patients unless there are specific clinical indications.



Choosing Wisely

Partnership with specialty societies

Example: American Chiropractic Association

- Know which tests and treatments can help
- Most people with lower back pain don't need imaging tests
- When imaging tests might help (fracture, osteoporosis, cancer)
- Avoid passive therapies unless you have them along with other treatments
- Avoid regular use of lumbar supports or braces



Why Prior Authorization?

- Ensure that a requested service or procedure is appropriate, and that it is delivered in the appropriate setting, at the appropriate point in the patient care journey.
- Based on high-quality evidence.
 - Policies and guidelines created by physicians with subject matter expertise.
 - Policies and guidelines are open for feedback from network providers.
- Can result in less duplicative or unnecessary care, less risk for treatment interactions, and less exposure risks for patients.
- Seek to ensure that our members do not receive surprise bills for medically unnecessary services.



One Health Plan's Experience

Prior Authorization has resulted in avoidance of unnecessary ionizing radiation exposure.

- In one year, over **10,000** unnecessary CT scans were avoided, resulting in avoidance of up to **17.66 mSv per patient**.
- In one year, around **2,000** unnecessary PET scans were avoided, resulting in avoidance of up to **51.67 mSv per patient**.
- Of the CT scans that were impacted by our preauthorization process in one year, **36%** were duplicates.



One Health Plan's Experience

Prior Authorization resulted in redirection to a more appropriate, evidence-based approach:

- In up to **76%** of cases for genetic testing
- In up to **10%** of cases for advanced imaging
- In up to **5%** of cases for oncology