

Ensuring safe and effective treatment for Coloradans

All Coloradans should receive the most appropriate, effective and safest medical treatments available. To achieve this goal, prior authorization is one tool used by health plans and government-sponsored health care programs including Medicare, Medicaid, and Tricare, to get advance approval of coverage for a medical service or prescription drug. Prior authorization is often applied to drugs with safety concerns or that have less expensive alternatives or to ensure that patients are not subject to unnecessary or harmful tests—such as certain imaging tests that are commonly overused or may expose patients to potentially harmful radiation, undue surgical procedures or added stress.

When reviewing prior authorization requests, health insurance providers rely on clinical pharmacists, medical doctors, and data and evidence to understand what tools, treatments, and technologies best improve patient health and to ensure that patients receive appropriate and medically necessary treatments and services.



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In Colorado, prior authorization requirements were recently changed by HB19 – 1211. This bill requires the following:

- Health plans must make prior authorization requirements available on their websites.
- Health plans must notify providers of new or amended prior authorization requirements.
- Health plans must publish data on approvals and denials of prior authorization requests, including (in aggregate) the medication or diagnostic test and the reason for denial.
- For non-urgent health care services: Health plans must approve or deny a request within five business days after the receipt of a request.
- For urgent health care services: Health plans must approve or deny a request within two business days after the receipt of a request.

Health plans have worked in good faith with physicians and hospitals to improve prior authorization processes for the benefit and safety of all Coloradans. In 2019, we also worked with mental health advocates and substance use disorder professionals to eliminate prior authorization on medication assisted treatment and step therapy on any FDA approved medication on the carrier's formulary. These changes ensure that patients receive the most appropriate, effective and safest treatment without undue delays.

Here are the facts:

- Among all managed care, the percentage of covered services, procedures, and treatments that require prior authorization is relatively small – fewer than **15%**.
- Among all managed care, **96%** of all prior authorization requests and **92%** of all payment requests received were approved.
- From 2001-2010, **40%** of the articles on medical practices in the New England Journal of Medicine found existing medical practices to be ineffective or even harmful.
- A study of 40,000 cancer patients whose low-risk cancers justified no imaging found physicians ordered at least one image, and often several, in more than **40%** of cases.
- At least one in five older patients are on an inappropriate medication — one that they can do without or that can be switched to a different, safer drug.
- The guidelines for prior authorization processes are based on information from the U.S. Food and Drug Administration (FDA), manufacturers, medical literature, actively practicing consultant physicians and pharmacists, and appropriate external organizations.

1. AHIP: Inappropriate Prescribing https://www.ahip.org/?asset=%2FIP_UtilizationMgmt-Final_103019.pdf&id=54984
 2. Ibid
 3. New York Times: How Many Pills Are Too Many: <https://www.nytimes.com/2017/04/10/upshot/how-many-pills-are-too-many.html?module=inline>
 4. Colorado General Assembly: Concerning Prior Authorization Requests Submitted by Providers for a Determination of Coverage of Health Care Services Under a Health Benefit Plan. https://leg.colorado.gov/sites/default/files/2019a_1211_signed.pdf
 5. Ibid, pages 3-4; 6. Ibid, page 4; 7. Ibid, page 4