

Authorization for Care

A Key Tool for Safe, High Quality and Affordable Care

WHAT?

Authorization for Care is a critical tool that ensures care aligns with the latest medical guidelines while protecting patients from unnecessary procedures, excessive costs, and harmful treatments.

WHO?

Authorization for Care is a standard practice across public and private health programs, including:

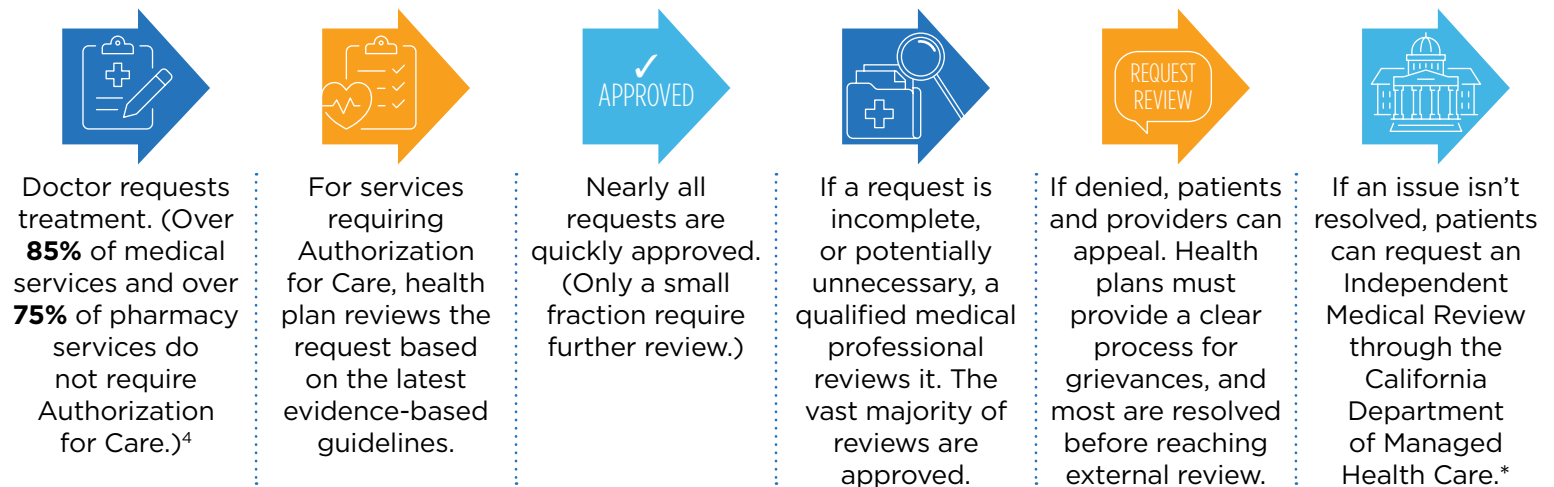
<p>Medi-Cal Program California's Medicaid program for low-income individuals and families.¹</p>	<p>Medicare Program Federal health coverage for seniors and people with disabilities.²</p>
<p>CalPERS California's public employee retirement and health benefits system.³</p>	<p>Health Plans Employer-sponsored and individual health plans that help manage costs and improve quality.</p>

WHY?

Health plans must ensure treatments follow the most up-to-date evidence-based guidelines. Authorization for Care helps ensure the right care is given at the right time, while:

- ✓ Protecting patients from unsafe or unnecessary care.
- ✓ Ensuring premium dollars are being spent responsibly to keep health care affordable for everyone.

HOW?



* In 2023, only 0.0093% of health plan enrollees sought an Independent Medical Review.

¹ <https://www.dhcs.ca.gov/provgovpart/Pages/PAOverview.aspx>

² <https://www.cms.gov/data-research/monitoring-programs/medicare-fee-service-compliance-programs/prior-authorization-and-pre-claim-review-initiatives>

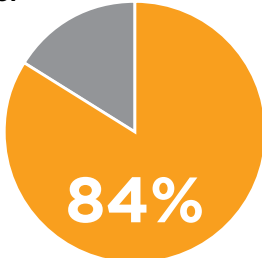
³ <https://www.calpers.ca.gov/members/health-benefits/plans-and-rates/optumrx-pharmacy-benefits/improving-optumrx-experience>

⁴ https://www.chbrp.org/sites/default/files/bill-documents/Prior%20Authorization_final.pdf

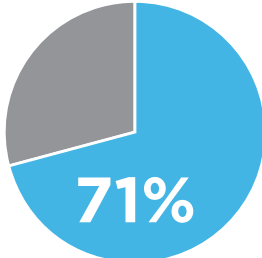
Authorization for Care directs resources toward treatments that are safe, high quality, and affordable.

Embracing Solutions

Health plans are continuously working to improve Authorization for Care, therefore it is essential for providers to embrace electronic Authorization for Care technology to ensure a more efficient and transparent system for the patients we serve.



A majority of health plans (84%) reported that automation of the prior authorization process is the biggest opportunity for improvement.



Electronic prior authorization technology is 71% faster than processing manual prior authorization requests.

Real World Examples

Reducing Excessive Radiation and Treatment Costs – Authorization for Care can ensure a patient with early-stage breast cancer receives an accelerated radiation course (hypofractionation) that offers a similar outcome with less radiation exposure, pain, and lower costs.

Preventing an Unnecessary Surgery – Thanks to Authorization for Care, a patient with low-risk back pain is recommended to try physical therapy first instead of jumping to costly, and potentially unnecessary or harmful surgery.

Avoiding Dangerous Medications – A child is accidentally prescribed an antibiotic that is not safe for their condition. Authorization for Care flags the error and ensures a safer alternative is used.

Reducing Prescription Drug Costs – A patient is prescribed a \$500 brand-name drug, but an FDA-approved \$50 generic is available. Authorization for Care saves the patient money without sacrificing effective treatment.

The Vast Majority of Authorizations for Care are Approved

Denials happen when:

- X** Duplicate or incomplete claims need clarification before approval.
- X** Treatments, prescriptions, or procedures do not align with evidence-based guidelines, or are medically unnecessary, ensuring patients receive safe, effective, and appropriate care.
- X** Equally effective, lower-cost generic alternatives to high-cost brand-name drugs exist.

The Bottom Line

Ultimately, Authorization for Care helps ensure patients receive the right care at the right time, making health care safer, higher quality, and more affordable for patients.

The Harmful Cost of Low-Value Care

What is Low Value Care?

Services that have little or no clinical benefit or where the risk of harm from the service outweighs the potential benefit

- A 2023 report found that **nearly 1 in 5** people receive low-value care, costing up to \$716 per service.
- The U.S. spends more than **\$340 billion** annually on low-value care that doesn't improve health outcomes.
- **30%** of U.S. health care spending may be unnecessary or even harmful.
- **87%** of doctors have reported negative impacts from low-value care.