

PRIOR AUTHORIZATION: IMPEDES ACCESS TO HEALTH CARE

PRIOR AUTHORIZATION CREATES BARRIERS TO CARE

Low-income Medi-Cal beneficiaries often face a variety of barriers in obtaining medically necessary care. Among those barriers is prior authorization which requires that the consumer navigate through complex obstacles to receive medically necessary and often life saving medications. Prior authorization in California requires that the doctor and pharmacist obtain state approval before the beneficiary can receive the medication they need. This process is called a “treatment authorization request” or “TAR” in fee-for-service Medi-Cal. Managed care plans have their own prior authorization procedures. While prior authorization can play a positive role in containing costs, for many consumers prior authorization leads to denials of care and, even for those who are able to navigate the process, to potentially dangerous delays in treatment.

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A PATIENT SHOULDN'T NEED A LAWYER TO GET A PRESCRIPTION FILLED

San Mateo— A consumer contacted the local HCC after her TAR for Serostim, which she took to combat wasting syndrome associated with HIV/AIDS, was denied as medically unnecessary. She had been taking Serostim periodically for several years. When the drug was taken off the Medi-Cal formulary, her Medi-Cal plan denied the TAR even though the consumer did, in fact, need this particular drug. The HCC advocate requested an expedited review of the TAR denial as the consumer had been off of Serostim for close to eight weeks and needed to begin the new protocol. After HCC intervened, the TAR denial was rescinded so the consumer could begin her new regiment on time.

Los Angeles — A 53-year-old single woman on Medi-Cal and living in a nursing home called the local HCC because she was having difficulty obtaining pain medication. She had been on the same medication for several years to control her chronic pain. Unfortunately, Medi-Cal was taking a long time to authorize the refill. The prescribing doctor changed the client to a different pain medication based upon his belief that the delay was caused by the original medication being withdrawn from the Medi-Cal formulary. The new medication did not control the client's pain. HCC determined that the original

medication was on the approved Medi-Cal drug list but required prior authorization. HCC successfully expedited the authorization, as well as educated the nursing home, pharmacy and the physician on completing the TAR. The client successfully obtained the medication and was again able to control her pain, after a difficult period during which she needlessly suffered.

Alhambra— A 53 year-old-male with depression was unable to get his medication through Medi-Cal because the TAR had been denied. He did not know why it was denied. His pharmacist submitted a TAR along with the doctor's explanation as to why the client required this specific anti-depressant medication. The client had tried other medications but had a poor response. HCC worked with both the local pharmacy and the Medi-Cal Pharmacy Field Office. They learned that the TAR was denied because the doctor's written support was vague. HCC educated the physician and pharmacist, who submitted a new TAR with the necessary background information. Medi-Cal approved the new TAR and the patient was able to get his medication, allowing him to manage his depression.



Prior Authorization & Medicare Part D

Placer County— A consumer on Medicare Part D called the Health Rights Hotline when he was down to his last few days' worth of insulin. He reported that when he had gone to the pharmacy to refill the prescription, the pharmacist told him that the Medicare Part D Prescription Drug Plan in which he had been automatically enrolled did not cover his medication. The man's doctor told him that no substitute for the medication existed. The drug plan refused to pay for an emergency five-day supply and the pharmacist advised the man that his doctor would have to resolve the problem with his drug plan. A Hotline counselor contacted the drug plan and learned that the drug was covered but that it required prior authorization. She then called the doctor's office to report this information and instructed the office staff on how to submit the request for prior authorization by faxing the authorization to the pharmacy. However, the doctor's office and pharmacy were unable to locate the correct authorization number for the medication, and the phone numbers that the drug plan had supplied for authorization assistance were all incorrect. The client was eventually able to get authorization for his medication only after his Hotline counselor made more than ten phone calls to the plan, the pharmacy, and the doctor's office.

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Prior authorization is generally required only for drugs that are experimental in nature or are very expensive. Prior authorization is required when a beneficiary takes more than 6 drugs per month or when a drug is not on the Medi-Cal formulary (called the "Medi-Cal List of Contract Drugs"). Formulary drugs are not necessarily based on effectiveness or appropriateness of the medication, but rather on whether the manufacturer offers rebates or other discounts to the state. While drugs on the Medi-Cal formulary can generally be prescribed and received by the patient without having to submit a TAR for Medi-Cal approval, those drugs not on the formulary require prior authorization in order to be covered by Medi-Cal.

Health Consumer Centers (HCCs) regularly receive calls from beneficiaries who are unable to navigate the prior authorization or TAR process alone. When contacting an HCC, many individuals are unaware of why their medication was denied by Medi-Cal, did not receive a written notice explaining the denial or were not otherwise informed that the medication requires prior authorization. Many of these consumers are low-literacy or have limited English skills and are unable to understand this complex process. Others have limited transportation and cannot make the multiple trips to the pharmacist or doctor to get the additional information prior authorization may require. Some beneficiaries do not even have the ability to make the necessary long distance telephone calls to the Medi-Cal field office. In addition, many physicians and pharmacists are unable to keep up with the frequent formulary changes occurring in the private health plans and public programs.

The HCCs are often able to assist the consumer with the prior authorization process by working with Medi-Cal, the physician and the pharmacist to ensure that the correct information is submitted in a timely fashion. Unfortunately, even cases that are resolved can take significant time that many consumers who need urgent medications cannot afford. In addition, for every consumer that does reach an HCC to get help with a prior authorization problem, there are likely many more beneficiaries who do not get help and are forced to pay out-of-pocket or simply go without their medication, threatening their health.

When new medications are added to the prior authorization list, the situation becomes far worse for low-income beneficiaries. This has been demonstrated most recently with Medicare Part D for persons who are on both Medi-Cal and Medicare. The HCCs have reported that many consumers were not aware that the plan in which they enrolled in or were auto-enrolled into would not cover their regularly prescribed medications without prior authorization. Many consumers walked away from the pharmacy without their medications because they were not informed of the prior authorization process and they

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could not afford the medication without coverage. Some were forced to use rent money, food money or what little savings they had to pay for the cost of crucial medications.

According to the Center for Studying Health System Change, Medicaid patients have a statistically lower level of health, given the poverty and disproportionate representation of individuals with chronic diseases, causing a higher rate of prescription drug needs. Therefore, restrictions on access to prescription drugs imposed in the past by other states have resulted in an even more detrimental effect on beneficiaries' well-being than on other populations. A 1999 New England Journal of Medicine article which found that prior authorization requirements increased emergency mental health services and institutionalization (often irreversible) increasing expenses for the states. *Effects of Medicaid Drug-Payment Limits on Admission to Hospitals and Nursing Homes.*

The experiences of the HCCs mirror these findings with regard to the difficulties prior authorization imposes on access to medications for low-income beneficiaries.

ADDITIONAL OBSTACLES FOR MEDI-CAL BENEFICIARIES

A 2003 Kaiser Family Foundation Report *Prior Authorization for Medicaid Prescription Drugs in Five States: Lessons for Policy Makers* in which California was one of the five states studied, notes the following obstacles for beneficiaries receiving needed medication:

- High among beneficiary complaints was the need to make multiple trips to the doctor or pharmacy to get prescriptions because many, particularly those who are elderly or have disabilities, have difficulty arranging transportation.
- When pharmacists tell patients that their drugs are not on the preferred drug list, patients are often unaware of their rights to appeal.
- When unaware of their right to appeal, consumers may believe that their only options are to leave the pharmacy without the prescription or pay for it themselves out-of-pocket.
- In addition, many plans' grievance and appeals procedures are complex enough that beneficiaries are likely to need representation to file and follow through on a complaint.
- Patients are generally uninformed about changes to the preferred drug list, and changes to the preferred drug list may require multiple trips to the doctor and adjustments of drug regimens.
- Some beneficiaries reported difficulty getting either emergency supplies for medications or strong pain medicines.

From Sacramento

“ One of the most common problems we see at Health Rights Hotline is that pharmacy staff and healthcare providers frequently do not understand, or are not willing to take, the necessary steps to submit the TAR or preauthorization request for the care the beneficiary needs. In these situations, the providers often tell the beneficiary, or the beneficiary hears, that the medication or treatment is simply not covered and that the consumer will have to pay for the medication. In other cases, the providers understand that a TAR or preauthorization is needed but do not want to take the time and effort to submit the request themselves. Without explaining the TAR or preauthorization process, the pharmacist often refers the patient back to the prescribing doctor. When this happens, beneficiaries often believe that coverage has been denied, or that the pharmacy or doctor simply does not want to serve them. Many consumers either simply walk away from the pharmacy without their prescriptions or are forced to pay out-of-pocket for the medications.”

- Vanessa Franco, Staff Attorney
Health Rights Hotline



In the Best Interest of Medi-Cal Recipients

The Medi-Cal Program provides medically necessary care, including prescription drugs, to 6.8 million low-income children, pregnant women, parents, seniors and persons with disabilities in California. In structuring the Medicaid program, Congress chose to direct those limited funds to persons who were most impoverished and who, because of their physical characteristics, were often least able to overcome the effects of poverty.

According to the 2003 Kaiser Family Report *Model Prescription Drug Prior Authorization Process for State Medicaid Programs* written by The National Health Law Program, utilization controls on drug prescriptions result in restricted access for Medicaid beneficiaries. Accordingly, any exercise of control over access to prescription drugs must be consistent with the Medicaid Act and, as required by the Act, must be provided consistent with the “best interest of recipients.” The report goes on to note that while Congress approved of a prior authorization system, the committee drafting the legislation “did not intend that States establish

or implement prior authorization controls that have the effect of preventing competent physicians from prescribing in accordance with their medical judgment that have the effect of preventing competent physicians from prescribing in accordance with their medical judgment. This would defeat the intent of the Committee bill in prohibiting states from excluding coverage of prescription drugs of manufacturers with agreements - i.e. assuring access by Medical beneficiaries to prescription drugs when medically necessary.”

Experiences of Other States:

The fact that utilization controls on prescription drugs, including prior authorization, cause restricted access to Medicaid beneficiaries has been shown in numerous states. According to the 2005 issue brief *No on Proposition 79: Cal Rx Plus Impedes Access to Care for 6.8 Million Low-Income Californians and Offers No real Solution to High Drug Prices* by the National Health Law Program and Western Center on Law and Poverty, advocates in Michigan report that the prior authorization process established in their Medicaid program has led to very negative consequences for beneficiaries, including an inability to access prescription drugs to treat mental illness, cancer and cardiac conditions. Implementation has also led to a large number of physicians and clinics dropping out of the Medicaid program because they were unable to prescribe the medications their patients needed. Health Advocates in Connecticut report that after implementation of a prior authorization scheme there, procedures for obtaining prescription drugs were so time-consuming and intensive that pharmacies were rejecting prescriptions at the rate of 31,200 a year or 2,600 a month.

Health Consumer Alliance Partners

Fresno Health Consumer Center
Health Consumer Center of Imperial Valley
Kern Health Consumer Center
Health Consumer Center of Los Angeles
Orange County Health Consumer Action Center
Health Rights Hotline
Consumer Center for Health Education & Advocacy
Community Health Advocacy Project
Health Consumer Center of San Mateo
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