

# How doctors shaped prior-auth reforms in Medicare Advantage

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## Andis Robeznieks

Senior News Writer

The AMA has been aggressively advocating with insurance companies, Congress, the Biden administration, and state legislatures about the need to reform prior authorization. Recent analysis by external entities bolstered the AMA's advocacy.

An investigation by the Department of Health and Human Services' Office of the Inspector General found Medicare Advantage plans improperly applied Medicare coverage rules to deny 13% of prior-authorization requests and 18% of payments—in some cases, ignoring prior authorizations or other documentation necessary to support the payment.

Similarly, a Kaiser Family Foundation analysis found Medicare Advantage plans denied 2 million prior-authorization requests in whole or in part, representing about 6% of the 35 million requests submitted in 2021. While about 11% of denials were appealed, 82% of appealed denials were fully or partially overturned—raising concerns about the appropriateness of many initial denials.



CMS Administrator Chiquita Brooks-LaSure

Consequently, the AMA was heartened when the Centers for Medicare & Medicaid Services (CMS) published two proposed rules that contain significant provisions addressing prior authorization.

In a speech to the hundreds of physicians and medical society staffers gathered for the 2023 AMA National Advocacy Conference, CMS Administrator Chiquita Brooks-LaSure discussed how she and the agency staff had listened to physicians talk about health insurance company prior-authorization processes harming patients.

“I really felt a different level of understanding hearing some of the stories about people's surgeries being delayed, people not getting the care that they need because of these processes,” Brooks-LaSure said.

“It's been really important to hear that feedback, for us to really understand how our policies are affecting care on the ground,” she added. “We know our policies really affect care, and getting that feedback from you all has been really important and helpful as we make our decisions.”

## Physicians cheer proposals

When the AMA submitted comments on the first proposed rule (PDF), CMS was thanked for taking extremely positive steps.

“We applaud CMS for listening to physicians, patients, federal inspectors and many other stakeholders, and recognizing a vital need to rein in Medicare Advantage plans from placing excessive and unnecessary administrative obstacles between patients and evidence-based treatments,” said AMA President Jack Resneck Jr, MD, in a news release.

“Waiting on a health plan to authorize necessary medical treatment is too often a hazard to patient health,” Dr. Resneck added.

Among other things, physicians are asking CMS to finalize provisions requiring that Medicare Advantage plans:

- Only use prior authorization to confirm diagnoses or other medical criteria and ensure the medical necessity of services. Prior authorization cannot be used as a tool to delay or discourage care.
- Give beneficiaries access to the same items and services as they would under traditional Medicare. When there is no applicable coverage rule under traditional Medicare, plans must use current evidence from widely used treatment guidelines or clinical literature for internal clinical coverage criteria—which must then be made public.
- Establish a utilization-management committee to review their clinical coverage criteria and ensure consistency with traditional Medicare guidelines.

- Forbid the denial of care ordered by a contracted physician based on a particular provider type or setting—unless medical necessity criteria are not met.

## Physicians united for change

The AMA and almost 120 physician organizations collectively weighed in on the first proposed rule, thanking Brooks-LaSure for listening to their concerns and providing positive feedback for proposed CMS prior authorization reforms for Medicare Advantage and Medicare Part D plans in a letter (PDF) to Brooks-LaSure.

The physicians also urged CMS to finalize proposed reforms that target inappropriate use of prior-authorization requirements by Medicare Advantage plans to delay, deny and disrupt provision of medically necessary care to patients.

Fixing prior authorization is a critical component of the AMA Recovery Plan for America's Physicians.

Prior authorization is overused, and existing processes present significant administrative and clinical concerns. Find out how the AMA is tackling prior authorization with research, practice resources and reform resources.

## Supporting a vision for better care

"We're really focused on tackling unnecessary burdens," Brooks-LaSure said, and she pledged to streamline prior-authorization processes for Medicare Advantage, Medicaid, the Children's Health Insurance Program and Affordable Care Act marketplace plans.

She also committed to promoting electronic prior-authorization processes via a second proposed rule.

"Health care clinicians are often forced to fax or mail attachments, like medical charts, X-rays and notes, and spend hours trying to figure out the documentation that's required for prior authorization," Brooks-LaSure said. "If this rule is finalized, the proposed electronic standard will promote more reliable communications and prevent avoidable delays with patient care."

The AMA has submitted comments (PDF) to CMS largely supporting the agency's proposals to improve prior authorization, and also released the results of its most recent physician survey (PDF) showing how the approval process health insurers impose on medical services or drugs is generating

a toll that exceeds the purported benefits.

CMS is also proposing to shorten the time frame for certain payers to respond to prior-authorization requests and requiring them to give a reason if a request is denied.

“Together, these proposed rules point to our vision of timely, high-quality care for the people we serve provided by clinicians who can devote their time to achieving better health outcomes, rather than spending hours on the phone negotiating over documentation,” Brooks-LaSure said.

Patients, physicians, and employers can learn about reform efforts and share personal experiences with prior authorization at [FixPriorAuth.org](https://www.amassn.org/prior-authorization).