

Congress Continues to Drag Its Feet on Prior Authorization Reform

Overview

In July of 2021, APS published a white paper on [Prior Authorizations for Medicare](#) describing the administrative burden and general inefficiency of the prior authorization (PA) requirements imposed by Medicare. Since then, providers have continued to be plagued by the difficulties this system presents, but lawmakers have done relatively little to address their concerns.

In a survey created by the Medical Group Management Association (MGMA), 98% of medical group respondents claimed that the PA requirements have not improved in the last 12 months. Complaints mentioned unresponsive payers and lack of uniformity in the process as major issues that have yet to be resolved.

A separate survey put out by the American Medical Association (AMA) showed that 91% of physicians polled believe the PA requirements had a negative impact on clinical outcomes.

Advocates would like to see Congress take action that results in a more universal, streamlined approach that minimizes the burden on practices—particularly those who have a high rate of compliance—and keeps the focus on the small percentage of providers who actually deserve scrutiny.

States Promote Reform

Despite inaction on the federal level, some states have been taking steps to address the issues with the PA system. For example, Texas passed a state law in 2021 implementing the “gold card” system. The rationale for this approach is that high approval rate providers should not continue to be burdened with the hassle of seeking PA, so those with a 90% or better approval rating receive a gold card that exempts them from future PA requirements. Kentucky is working on a similar system.

The underlying logic is very straightforward—it is a waste of everyone’s time, and results in worse outcomes for patients, to force good providers to struggle with copious and unnecessary paperwork. This “gold card” system is one example of a practical approach to alleviating this unnecessary burden.

Michigan has also passed recent legislation which shortens the time health insurers have to respond to PA requests from providers. Though a different approach than the “gold card” system, this should also alleviate some of the burden on providers.

CMS Inaction

There has been discussion about the Centers for Medicare and Medicaid Services (CMS) taking action to address the issues of the PA system for some time now, but they have yet to do anything of substance.

Earlier this year, the CMS issued a request for information (RFI) regarding the possibility of electronic fixes, including a Documentation Requirement Service Lookup Service (DRLS). This would allow providers to determine which services require PA and which documents need to be submitted. The concept resembles the Documentation Requirement Lookup Service Initiative CMS launched in 2019—but not much has come of that.



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The American Hospital Association (AHA) has requested that Medicare Advantage Organizations (MAOs) be required to implement a system similar to the “gold card” where services are considered automatically authorized when the provider has a history of 90% or better approval. It is not yet clear if that is a likely outcome.

Unfortunately, the Improving Seniors’ Timely Access to Care Act of 2021 did not successfully pass into law last year. This is one of the best chances for PA reform, and the bill still maintains about 240 co-sponsors in the house. The Act would establish an electronic PA process and require real-time adjudication on beneficiary claims. It remains to be seen if advocates can successfully push this bill through.

Ultimately, advocates would like to see a solution that involves both technical and regulatory elements, essentially providing the means and the incentive for plans to make the PA process faster and less burdensome.

Though progress has been slow on the federal level, there are some indicators that progress may be forthcoming, if not quite as fast as advocates would like.

APS will continue to monitor the progress of the PA requirements and provide updates as they arise. If you have any questions, please contact your Practice Manager for more information.