



American Academy of
Physical Medicine and Rehabilitation

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Reforming the Use of Prior Authorization

Prior authorization (PA) is a process used by health insurance companies (including Medicare Advantage (MA) plans) requiring physicians to obtain approval before providing care to patients for covered services. This process is a major source of burden for physiatrists and increases the time and labor required to diagnose and treat their patients — delaying patient access to care and potentially leading to negative health outcomes.

According to the HHS Office of Inspector General, the use of PA by insurers has increased significantly in recent years, particularly by MA plans. Physicians working in inpatient rehabilitation hospitals and units (IRFs) report that an inordinate number of prior authorization requests for IRF care are initially denied by MA plans, with many of these denials eventually being overturned on appeal. Excessive and unnecessary use of PA places an untenable burden on physicians and creates significant barriers to patients in accessing timely rehabilitation care. Data from the Medicare Payment Advisory Commission (MedPAC) demonstrate that MA beneficiaries receive one third the access to IRFs that traditional Medicare beneficiaries receive. The MA program served nearly 27 million beneficiaries in 2021, comprising 46 percent of the total Medicare population, according to MedPAC.

Prior authorization reform has been and continues to be a top advocacy priority for AAPM&R, particularly in the MA program, which is why AAPM&R supports regulatory efforts to reform PA and endorsed the *Improving Seniors' Timely Access to Care Act* in the 117th Congress. This bipartisan legislation (326 cosponsors in the House and 52 cosponsors in the Senate at the end of the 117th Congress) passed the House by a voice vote on September 14, 2022, but did not progress to a vote on the Senate floor. The Centers for Medicare & Medicaid Services (CMS) has recently finalized important regulatory reforms to prior authorization and proposed other policies, but legislation is critical to ensuring lasting changes to protect patients' access to care.

Upon reintroduction in the 118th Congress, the bill is expected to:

- Streamline and standardize the PA process for many routinely-approved items and services;
- Ensure PA requests are reviewed by qualified medical personnel;
- Establish an electronic PA program; and
- Provide much-needed transparency around MA PA requirements and their use for Medicare rehabilitation patients and providers.

As more private enrollees and MA beneficiaries are exposed to prior authorization, especially seniors and individuals with disabilities and chronic conditions, it is crucial that prior authorization not function as a barrier to accessing medically necessary care. AAPM&R is strongly in favor of enacting statutory reforms to the prior authorization process used by all plans or programs and increasing transparency in Medicare Advantage.

We urge all Members to support forthcoming Dear Colleague letters on reforming the prior authorization process to protect patient access to care and reduce physician burden, and to support the *Improving Seniors' Timely Access to Care Act* when it is reintroduced in the 118th Congress.

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