

## Reforming the Use of Prior Authorization

Prior authorization (PA) is a process used by health insurance plans requiring physicians to obtain approval before providing care to patients for covered services. This process is a major burden for physiatrists and increases the time and labor required to diagnose and treat their patients — delaying or, ultimately denying, 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 in Medicare Advantage (MA), which now covers one half of Medicare beneficiaries. 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, which forces referring acute care hospitals to send patients to less intensive, and potentially inappropriate settings of post-acute care. Of those denials that are appealed, many are 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.

Prior authorization reform has been and continues to be a top priority for AAPM&R, particularly in the MA program, which is why AAPM&R strongly supported the *Improving Seniors' Timely Access to Care Act* in the 117<sup>th</sup> Congress. This bipartisan legislation (326 cosponsors in the House and 52 cosponsors in the Senate at the end of the 117<sup>th</sup> Congress) passed the House by a voice vote on September 14, 2022, but did not get through the Senate before the 117<sup>th</sup> Congress adjourned.

The bill would have, among other things:

- Streamlined and standardized prior authorizations for many routinely-approved items and services;
- Ensured prior authorization requests are reviewed by qualified medical personnel;
- Established an electronic prior authorization program; and
- Provided much-needed transparency around MA prior authorization requirements and their use for Medicare rehabilitation patients and providers.

As more enrollees, especially seniors and individuals with disabilities and chronic conditions, join the MA program for their health insurance needs, it is crucial that prior authorization not function as a barrier to accessing medically necessary care. AAPM&R is strongly in favor of taking legislative steps towards reforming the prior authorization process and increasing transparency in the MA program.

**[We urge all Members to support legislative efforts to reform 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 118<sup>th</sup> Congress](#)**