Centers for Medicare and Medicaid Services (CMS) Outlines a Systematized Proposal to Prior Authorization Process



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On December 6th, CMS released the proposed rule outlining systematized prior authorization pathways for healthcare services rendered by providers and hospitals. The proposed rule outlines the goals to improve the prior authorization process and drive more transparency and efficiency to all stakeholders involved including payers, providers, vendors, and patients. Current prior authorization processes have created burden on payers and providers and is a major source of burnout for providers, thereby possibly impacting the health inefficiencies of patients in the potential delay of care

The burden of prior authorization has been well documented in the American Medical Association (AMA) Study released in December 2021. The study indicated not only had there not been an increase in prior authorization efficiency, it had actually become worse.[1] The study outlined the operational time, human capital and lack of technology impacts that negatively effect the efficient delivery of care.[1] Furthermore, physicians reported that most prior authorizations are completed via phone calls and faxes, with only 26 percent reporting that they have access to an EHR system that supports electronic prior authorization for prescription medication.[2]

The proposal currently outlines requirements that would be applied to payers:

- Build and maintain a Prior Authorization Requirements, Documentation, and Decision (PARDD) API to automate the process for providers to determine whether a prior authorization is required, identify prior authorization information and documentation requirements, and facilitate the exchange of prior authorization requests and decisions from providers' electronic health records (EHRs) or practice management systems
- Include a specific reason when they deny a prior authorization request
- Send prior authorization decisions within 72 hours for expedited (urgent) requests and seven calendar days for standard (non-urgent) requests
- Publicly report certain prior authorization metrics annually by posting them on their website or through publicly accessible hyperlinks[3]

CMS is seeking comment related to the proposal, including alternative time frames for prior authorization decisions. Comments on the rules are to be received March 13, 2023.

Federal Register Publication

[1]American Medical Association (2021). *AMA Prior Authorization (PA) Physician Survey Results.*
[2]American Medical Association (2021). *AMA Measuring Progress in Improving Prior Authorization.*
[3]AMGA Advocacy News

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