

July 27, 2022

The Honorable Richard Neal
Chairman
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Neal and Ranking Member Brady:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations and our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) writes to express our strong support for the Improving Seniors' Timely Access to Care Act of 2022 (H.R. 8487). We thank the Ways and Means Committee for considering this bipartisan legislation, which would help ensure access to high quality care in a timely manner by streamlining prior authorization requirements under Medicare Advantage (MA) plans.

Although the MA program is designed to cover the same services as traditional Medicare, we are concerned that some MA plans engage in practices, including inappropriate and excessive denials for prior authorization, which result in delays in care and can cause direct patient harm. A [recent report](#) issued by the Department of Health and Human Services (HHS) Office of Inspector General (OIG) found that 13% of prior authorization denials and 18% of payment denials actually met Medicare coverage rules and should have been approved.

The process of complying with MA plan prior authorization processes also is in need of reform. Plans vary widely on accepted methods of requests and supporting documentation submission and frequently require the use of inefficient means, such as fax machines or plan-specific websites. This heavily burdensome process can have detrimental effects on patient care. According to a [2021 survey](#) by the American Medical Association, 93% of physicians reported care delays associated with prior authorizations, while 82% indicated that patients have abandoned treatment due to authorization struggles with health insurers.



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Additionally, we are concerned about the lack of transparency in health plan prior authorization criteria. MA plans often classify their medical necessity criteria as proprietary and do not share its specifics with providers, resulting in a “black box” methodology for determining whether a service will be approved. This leaves providers and patients unable to anticipate what the plan may require as evidence of medical necessity, leading to unnecessary delays and denials and unequal coverage of medically necessary care for MA beneficiaries.

The findings of the HHS-OIG report, as well as the broader experience of MA beneficiaries, hospitals, and health systems, clearly indicate that stronger oversight of MA plans is needed to ensure appropriate beneficiary access to care.

We greatly appreciate that the Ways and Means Committee is considering the Improving Seniors’ Timely Access to Care Act of 2022, which would address many of these concerns by establishing requirements for the use of prior authorization under MA plans. Specifically, this bill would establish an electronic prior authorization process to streamline approvals, reduce the amount of time a health plan is allowed to consider a prior authorization request, create a process for “real-time decisions” for services that are routinely approved, require MA plans to report on their use of prior authorization and the rate of approvals and denials, and encourage MA plans to adopt policies that adhere to evidence-based guidelines.

These policies to streamline MA prior authorization requirements by eliminating complexity and promoting uniformity would reduce the wide variation in prior authorizations methods that frustrate both patients and providers.

Thank you for your support to improve the prior authorization process to increase patient access to care and reduce burden for providers. We look forward to continuing to work with you on this issue and urge Congress to pass this bill to ensure all Medicare beneficiaries have access to timely and appropriate care.

Sincerely,

/s/

Stacey Hughes
Executive Vice President