

KEY FACTS

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Prior authorization ensures beneficiaries receive the most clinically appropriate and cost-effective care while protecting them from unexpected medical bills and reducing exposure to duplicative and unnecessary services.

2

Health plans use evidence-based medicine and clinical criteria to determine appropriate prior authorizations.

3

Electronic and digital processes simplify the process for providers and health plans and reduce uncertainty for beneficiaries.

4

99% of Medicare Advantage enrollees are in health plans that utilize prior authorization.¹

OUR POSITION

BMA supports efforts to modernize the way Medicare Advantage uses prior authorization as a clinical tool to facilitate high-value and coordinated care while simplifying the process. We support CMS' regulations intended to align Medicare standards and reduce burdens. We believe these changes serve our shared goals of protecting prior authorization's essential function in coordinating high-value care while also ensuring beneficiaries continue to receive the care they need when they need it.

BMA has long supported the Improving Seniors' Timely Access to Care Act and again endorsed the legislation in June 2024 when it was reintroduced.

This bipartisan, bicameral piece of legislation will simplify prior authorization for millions of Medicare Advantage beneficiaries and builds on BMA policy recommendations to streamline the process.

PRIOR AUTHORIZATION IN MEDICARE ADVANTAGE

Medicare Advantage health plans use various medical management and care coordination tools to ensure beneficiaries receive the most clinically appropriate and cost-effective care. A commonly used tool is prior authorization, in which the beneficiary's health care provider works with the health plan to make certain a treatment or service is the best option for the needs of the individual patient. It works to guarantee the most appropriate option available is used and that it will be covered by the health plan. Prior authorization promotes better, smarter health care delivery and protects seniors from unnecessary services and unexpected medical bills when deployed appropriately.

PRIOR AUTHORIZATION BENEFITS PATIENTS

Prior authorization may be applied to certain procedures, medical equipment and prescription drugs to ensure they are based on the best, most current evidence-based medicine. Prior authorization typically requires that a patient receive prior approval before receiving certain medical services, and nearly all Medicare Advantage enrollees are in health plans that utilize prior authorization for some services. Through innovations and technology, health plans work to simplify the process for providers and reduce uncertainty for beneficiaries by adopting electronic or digital processes through collaborative platforms. These processes are further supported with recent interoperability regulations requiring health plans, providers, and patients to be able to communicate more easily and facilitate the prior authorization process. Some health plans are currently utilizing electronic prior authorization to make the process as timely and predictable as possible. The benefits of prior authorization include:

- Protecting beneficiaries from unexpected medical bills arising from receiving an item or service that is not covered by the health plan;
- Producing cost savings for the beneficiaries (i.e., lower copays) by ensuring that a clinically-equivalent, lower-cost alternative is offered first;
- Reducing the risk posed to beneficiaries by unnecessary services and procedures that may needlessly expose them to harm, such as advanced imaging procedures;
- Minimizing the utilization of services that are unnecessary, duplicative, or broadly agreed to be of low clinical value;
- Ensuring that care is delivered in the most appropriate setting, at the right time, and by the most appropriate in-network provider;
- Promoting communication between providers and health plans to ensure the coordination of care and alignment with person-centered care health plans.

PRIOR AUTHORIZATION AND PRESCRIPTION DRUGS

Certain prescription drugs may require approval from a health plan and be subject to prior authorization before the beneficiary can access them. Medications that typically require prior authorization include high-cost brand name drugs for which an equally effective and lower-cost generic is available and to ensure adherence to evidence-based criteria for commonly abused drugs, such as addictive opioids. Prior authorization promotes the safe and effective use of prescription drugs by:

- Recognizing and preventing a prescribed drug from having an adverse interaction with another medication the beneficiary may be taking;
- Ensuring that a drug is prescribed appropriately and is used to treat the condition or illness for which it was intended;
- Allowing the beneficiary to access a cheaper, generic alternative if available; and
- Identifying when the prescribed dosage exceeds evidence-based criteria.

1. Kaiser Family Foundation, Medicare Advantage in 2023: Premiums, Out-of-Pocket Limits, Cost Sharing, Supplemental Benefits, Prior Authorization, and Star Ratings. August 9, 2023. Available [here](#).