

July 26, 2022

The Honorable Richard Neal
Chairman
Committee on Ways and Means
1102 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
1139 Longworth House Office Building
United States House of Representatives
Washington, DC 20515

Dear Chairman Neal and Ranking Member Brady:

On behalf of the physician and medical student members of the American Medical Association (AMA), I write in strong support of the “Improving Seniors’ Timely Access to Care Act of 2022,” as amended by the Ways and Means Committee. The legislation, as originally introduced, garnered more than 300 bipartisan House cosponsors and the support of approximately 500 physician, hospital, patient, and insurer organizations. We greatly appreciate the Ways and Means Committee for scheduling a legislative markup and strongly urge swift passage of this bipartisan bill that will help streamline, simplify, and standardize prior authorization processes within Medicare Advantage (MA) plans.

Prior authorization, which is the practice by insurance companies of reviewing and potentially denying medical services and pharmaceuticals prior to treatment, remains a principal frustration for patients and physicians. This utilization management policy is overused, costly, opaque, burdensome to physicians, and harmful to patients due to delays in care.

AMA data compiled from annual surveys of more than 1,000 practicing physicians continue to illustrate the negative impact of prior authorization policies.¹ In fact, 34 percent of physicians who participated in a 2021 AMA survey reported that prior authorization led to a serious adverse event, such as hospitalization, disability, permanent bodily damage, or even death, for a patient in their care.² The 2021 survey also highlights that 93 percent of physicians reported care delays associated with prior authorization, while 82 percent of respondents cited that these requirements can at least sometimes lead to patients abandoning treatments.³

In addition, research from the federal government demonstrates that prior authorization leads to delays in patient care and inappropriate denials of medically necessary services. A 2018 report from the Department of Health and Human Services’ (HHS) Office of Inspector General (OIG) concluded that, between 2014 and 2016, MA plans overturned 75 percent of their own prior authorization and payment denials when appealed by providers and beneficiaries.⁴ An April 2022 HHS OIG report also found that 13

¹ <https://www.ama-assn.org/system/files/prior-authorization-survey.pdf>.

² Id.

³ Id.

⁴ <https://oig.hhs.gov/oei/reports/oei-09-16-00410.pdf>.

percent of prior authorization requests denied by MA plans met Medicare coverage rules, and 18 percent of payment request denials met Medicare and MA billing rules.⁵

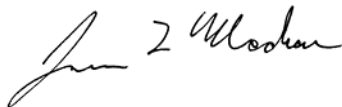
We commend you for working in a bipartisan fashion on an amended version of the Improving Seniors' Timely Access to Care Act. The modified legislation retains the crux of the original bill, including mandating that MA plans implement electronic prior authorization programs that adhere to newly developed standards by the federal government. This will help ensure that physicians are no longer forced to resort to faxes and e-forms, or even disparate, proprietary portals that fail to comply with these newly developed standards, when seeking to complete prior authorization requests. In addition, the provisions requiring robust data reporting, such as the number and percentage of prior authorization requests approved, denied, or approved upon appeal, will bring much needed transparency to ensure MA prior authorization programs are not inappropriately denying medically necessary care to patients and overburdening physicians with unnecessary requirements.

Most importantly, the additional sections of the legislation mandating MA plans to issue faster prior authorization decisions are crucial policy improvements that will ensure more timely access to care and, as a result, improved patient health care outcomes and better stewardship of scarce Medicare resources. The AMA supports the requirements for health plans to provide real-time prior authorization decisions for routinely approved services, as defined in implementing regulations. We also appreciate that the bill directs MA plans unable to meet the real-time processing requirement in the event of "extenuating circumstances" to issue final prior authorization decisions within a 72-hour and 24-hour timeline for regular and emergent services, respectively. Notably, the legislation requires MA plans to report the number of prior authorizations subject to this exception, providing the transparency needed to deter abuse of this provision.

In addition, we sincerely appreciate the inclusion of provisions pertaining to more timely prior authorization decisions for all other services within Medicare Part C. Requiring MA plans to issue final decisions within 24 hours for emergent services and *no later than* seven days after receipt of regular prior authorization requests is a vast improvement over current MA program practices. The expedited timelines for MA plans to issue final prior authorization decisions, both for routinely approved care and all other services, will undoubtedly lessen the burden on physicians, and, most significantly, ensure timely patient care and improved health outcomes.

The AMA is proud to support the Improving Seniors' Timely Access to Care Act. We commend the Ways and Means Committee for marking up this crucial bill and stand ready to work to ensure bipartisan passage by the House of Representatives.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim L. Madara", written in a cursive style.

James L. Madara, MD

cc: The Honorable Suzan DelBene (D-WA)
The Honorable Mike Kelly (R-PA)

⁵ <https://oig.hhs.gov/oei/reports/OEI-09-18-00260.pdf>