

6 Things to Know About the Prior Authorization Rule Affecting UM

In February, the Medecision team invited leaders in utilization management and healthcare policy to discuss proposed UM standard changes for 2021. As part of that discussion, Julie Barnes, JD, Founder and Principal of Maverick Health Policy, shared the following valuable insight about the prior authorization rule affecting UM and what we might expect as policies evolve.

- 1. The prior authorization rule is under review by the new administration**

Several factors are at play, including the fact that Medicare Advantage plans weren't included, and the speed at which the prior authorization rule was implemented (ultimately, interested parties only had 17 days to review and draft comments). If the rule is implemented as it is currently drafted, it would take effect January 2023.
- 2. Although the rule is on hold, it is unlikely that the Biden administration will withdraw the rule**

It's possible there will be changes and CMS will reopen the rule for comments, but it's best to prepare now as expectations are that the rule will go through in some form, at some point.
- 3. The rule is tied to major goals around interoperability and transparency**

The rule is designed to provide transparency around decisions of medical necessity (including requirements that decisions be explained), ensure healthcare providers know in advance what is required to authorize treatment, speed turnaround times for prior authorization decisions, and require that the authorization process take place electronically through the EHR system.
- 4. Currently, the rule only applies to three types of health plans**

Medicaid, CHIP and individual-market Qualified Health Plans were included, but Medicare Advantage and employer-sponsored insurance were not included.
- 5. There is a reporting requirement associated with this rule**

Payers must publicly report data about the prior authorization process, including the number of requests approved, denied and approved after appeal, as well as the average time it took between submission and determination.
- 6. Heavier weight is being given to patient experience scores, especially with the Medicare Star program**

The prior authorization rule seeks to ensure patients and members get the right treatment for the right cost, and without delay. Delays in prior authorization can create dissatisfaction among consumers, so there is strong financial incentive to improve the prior authorization process wherever bonus payments are tied to satisfaction.