MA Prior Authorization Denial Rates Continue Steady Climb, Analysis Finds

Source: Adam Healy, August 9, 2024

Medicare Advantage plans are denying an increasingly large share of prior authorization requests, limiting beneficiaries' access to services like home health and dialysis, according to new reports by KFF.

KFF examined Medicare Advantage contract data for 2022, which is the year with the most recent available figures. KFF's analysis found that MA plans denied 3.4 million prior authorization requests that year, which is about 7.4% of the 46.2 million requests submitted in total by beneficiaries. This was a higher share of denials than the three previous years; MA plans denied slightly less than 6% of prior authorization requests each year between 2019 and 2021.

Home health is among the top healthcare services for which MA insurers request prior authorization. Roughly 90% of MA enrollees who requested home healthcare in 2024 were required to receive prior authorization, according to KFF. About two-thirds of beneficiaries requesting dialysis, and 46% of those seeking transportation services, were also required to receive prior authorization.

Meanwhile, prior authorization appeals were an effective — but underutilized — way for beneficiaries to have a denial overturned, KFF found. Just 1 in 10 prior authorization denials was appealed in 2022, but more than 83% of these appeals resulted in a denial being overturned.

KFF also found variations in the use of prior authorization among different MA insurers. Prior authorization requests were most common in Humana plans, while CVS had the highest rate of denials.

These denials present challenges for patients and providers alike. Home care providers, especially, have <u>been appreciative</u> of efforts to curtail MA plans' use of prior authorization to deny care. The Centers for Medicare & Medicaid Services recently addressed MA enrollees' issues surrounding prior authorization by issuing a regulatory fix. In January, CMS published the <u>Interoperability and Prior Authorization Final Rule</u>, which required MA plans to streamline their prior authorization processes, make appeals easier and report data on their prior authorization decisions.