



Welcome to *Washington Update*, the weekly e-newsletter on the latest health care happenings in the nation's capital that affect APG's members.

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## **Senate Democrats' Report On Prior Authorization For Post-Acute Services In Medicare Advantage Stops Short Of Finding Broadly Inappropriate Care Denials**

A more than year-long [investigation](#) by a Senate panel found that three of the largest Medicare Advantage Organizations (MAOs) sharply boosted their use of prior authorization for post-acute care in (PAC) recent years, including through use of [machine learning-based systems](#) to augment human decision-making and minimize delays. But the report stopped well short of declaring that denials of care that resulted were broadly inappropriate, and instead recommended that the Centers for Medicare & Medicaid Services (CMS) take such steps as conducting targeted audits to unearth any more "notable increases in adverse determination rates" and ensuring that "predictive technologies do not have undue influence on human reviewers."

The report by the Senate Homeland Security and Governmental Affairs Committee's permanent subcommittee on investigations said that, by 2022, the MAOs – UnitedHealth Group (UHG), CVS Health, and Humana – were turning down as much as a quarter of all prior authorization requests for PAC, subjecting MA beneficiaries to "diminished access to post-acute care" as a

result. UnitedHealthcare's prior authorization denial rate for PAC from 10.9 percent in 2020 to 22.7 percent in 2022, a level more than three times greater than the MAO's overall denial rate for all types of care, the report said.

**Pushback:** The report drew sharp criticism from the MAOs, which said it was based on outdated documents, laden with errors, and ignored both [criteria](#) for greater scrutiny of post-acute spending set by CMS and the fact that the companies have recently passed CMS audits of their use of prior authorization for PAC. No Republicans on the Senate panel signed onto the report, which was issued solely by its Democrats, led by its [chair](#), Sen. Richard Blumenthal (D-Conn.)

Still, the report constituted yet another sign that policymakers harbor deep concerns about the use of prior authorization – as well as ambivalence about efforts to automate and streamline the process while reducing human error through use of technology. Another possible sign of that ambivalence: Proposed [legislation](#) that would encourage electronic prior authorization passed the House unanimously last year, but is currently stalled in the Senate Finance committee.

**Targeting waste?** One topic left unexamined by the report was the longstanding variation in the nationwide costs of PAC services; the [likely waste](#) inherent in at least a portion of that use; and the role of prior authorization in reducing that waste. Spending in the traditional Medicare program on PAC services totaled [\\$57.8 billion](#) in 2022, even as [published research](#) has long noted the lack of evidence that Medicare enrollees in geographic areas with high rates of PAC spending have better outcomes than in low-spending areas.

Multiple accountable care organizations (ACOs) in which APG member groups participate have sought to rationalize PAC use, even as PAC providers themselves have [called on](#) federal regulators to increase their “opportunities to participate in ACOs” for similar reasons. The MAOs, meanwhile, are making greater use of home care services to shift patients' recovery from skilled nursing facilities and other PAC providers to the home, a tactic that increasingly constitutes a broad health care industry trend.



## In Case You Missed It

- An Avalere [report](#) shows **a slight 7 percent decline in the number of combined Medicare Advantage and Part D (MA-PD) plans for 2025** as one of multiple changes in store for enrollees next year. A forthcoming [webinar](#) will explore how Medicare's newly announced negotiated prices for 10

drugs and redesign of Part D benefits may affect both Prescription Drug Plans and MA-PD plans in 2026.

- As the **use of remote patient monitoring in Medicare** expands dramatically, the Office of the Inspector General [cites concerns](#) about whether it is being used as intended, as well as about potential fraud. It recommends that CMS adopt additional safeguards “to ensure that remote patient monitoring is used and billed appropriately in Medicare.”
- **Disparities in maternal health outcomes** even among well insured active-duty U.S. military personnel and their spouses – including a two-fold higher rate of perinatal death for Black non-Hispanic people – were among topics examined in a recent [workshop series](#) of the National Academies of Sciences, Engineering, and Medicine.



## APG Announcements And Offerings

- [REGISTER NOW!](#) - **APG Fall Conference 2024 - Health Care Strong: Embracing Change and Thriving in Uncertain Times - will be held November 11 – 13 in Washington, DC.** Don't miss our superb lineup of speakers and unparalleled networking opportunities. **JUST EXTENDED:** Our special rate at the Grand Hyatt Washington hotel is now available until **Friday, October 25.** Reserve your room and access other travel deals [here](#).
- APG will host an **Emerging Trends in Health Care Webinar** on Thursday, November 14, 1:15 pm – 2:00 pm ET, with guest [Patrick Conway, MD, CEO of Optum Rx](#), former Chief Medical Officer and Deputy Administrator for Center for Medicare and Medicaid Innovation Center. You can register for the webinar [here](#).
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today.](#)

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