

REGULATORY BRIEF

MEDICAL GROUP MANAGEMENT ASSOCIATION

RULE: 2024 Medicare Advantage/Part D Proposed Rule
STAGE: Final
AGENCY: Centers for Medicare & Medicaid Services (CMS)
TOPIC: Prior Authorization
SCOPE: Medicare Advantage (Coordinated Care Plans)



SUMMARY

The final rule, once implemented, will address concerns from a 2022 Office of Inspector General (OIG) report which found that 13% of prior authorization requests denied by Medicare Advantage plans met Medicare coverage rules and 18% of payment request denials met Medicare and Medicare Advantage billing rules. Prior authorization reform is a longstanding priority for MGMA and increasing prior authorization requirements are routinely identified among the top administrative challenges facing medical groups. This rule is a positive step in addressing problematic prior authorization practices in Medicare Advantage, but there remains much work to be done to effectively reform prior authorization in both the Medicare Advantage and commercial space.

OUTSTANDING MGMA ASKS NOT ADDRESSED IN THE FINAL RULE

- Establish and implement an oversight plan that will hold plans accountable for noncompliance.
- Include additional prior authorization reforms in future rulemaking, such as eliminating step therapy, requiring gold-carding programs, and exempting medical groups participating in value-based models from prior authorization requirements.

MGMA RECOMMENDATIONS FINALIZED BY CMS

- Plans are required to provide at least a 90-day transition period where they cannot impose prior authorization for an active course or treatment if an enrollee switches plans.
- Plans must establish Utilization Management (UM) Committees to ensure plans are consistent with Traditional Medicare's coverage decision guidelines.
- Prior authorization can only be used to confirm diagnoses and ensure that orders are medically necessary.

NEXT STEPS

The provisions included in this rule will largely go into effect on Jan. 1, 2024. MGMA Government Affairs will continue to monitor and advocate for CMS' active oversight over these provisions to ensure that Medicare Advantage plans are held accountable for instances of noncompliance that may curtail healthcare delivery.

RELATED LINKS

- [MGMA's comments](#)
- [2024 Medicare Advantage/Part D Final Rule](#)
- [Final rule fact sheet](#)
- [2022 OIG report](#)
- [MGMA's 2023 position paper on prior authorization](#)