

May 17, 2023

The Honorable Richard Blumenthal
Chairman
Senate Homeland Security and Governmental Affairs Committee
Permanent Subcommittee on Investigations
340 Dirksen Senate Office Building
Washington, D.C. 20510

The Honorable Ron Johnson
Ranking Member
Senate Homeland Security and Governmental Affairs Committee
Permanent Subcommittee on Investigations
340 Dirksen Senate Office Building
Washington, D.C. 20510

## Re: MGMA Testimony — "Examining Health Care Denials and Delays in Medicare Advantage" Hearing

Dear Chairman Blumenthal and Ranking Member Johnson:

On behalf of our member medical group practices, the Medical Group Management Association (MGMA) would like to thank the Subcommittee for holding this important hearing on "Examining Health Care Denials and Delays in Medicare Advantage" and appreciate the opportunity to provide feedback on this critical topic. Challenges associated with obtaining prior authorizations and the myriad of arbitrary requirements associated with them are routinely identified by medical groups as the most challenging and burdensome obstacle to running their practices and delivering high-quality care to patients.

With a membership of more than 60,000 medical practice administrators, executives, and leaders, MGMA represents more than 15,000 group medical practices ranging from small private medical practices to large national health systems representing more than 350,000 physicians. MGMA's diverse membership uniquely situates us to offer the following feedback.

In March 2023, MGMA <u>surveyed</u> over 600 medical groups to better assess the impact that prior authorization in Medicare Advantage (MA) has on the ability to deliver high-quality care. The findings overwhelmingly show that prior authorization in MA is increasingly burdensome for medical group practices and contributes to delays and denials of necessary medical care, increased practice administration costs, and disrupted practice workflows. Specifically, our survey found:

• When asked to rank payers from most burdensome to least burdensome as it pertains to obtaining prior authorizations, medical groups identified MA plans as the most burdensome, followed by commercial plans, Medicaid, and traditional Medicare.

- 84% of practices surveyed reported prior authorization requirements for MA had increased in the last 12 months, while less than 1% reported that they had decreased.
- 58% of practices saw 15% or more of their patients either switch from traditional Medicare to MA or between MA plans.
- 84% of practices reported having to reauthorize existing Medicare-covered services for those Medicare beneficiaries who've switched plans.

MGMA has long advocated for prior authorization reform. In 2018, MGMA partnered with several provider groups and health plans to publish a *Consensus Statement on Improving the Prior Authorization Process*. Our organizations agreed that selective application of prior authorization, volume adjustment, greater transparency and communication, and automation were areas of opportunity to improve upon. However, since the consensus statement was released, medical groups report little progress in any of these areas. Ninety-five percent of group practices report treating patients that are covered by MA plans. This, paired with the recent <u>finding</u> that half of all eligible Medicare beneficiaries are currently enrolled in private MA plans, is why Congress needs to address dangerous prior authorization practices in MA now. Arbitrary and ever-changing prior authorization requirements lead to delays in care and negative health outcomes.

## Conclusion

We thank the Subcommittee for its leadership on this critical issue. We look forward to working with you and your colleagues to craft sustainable and commonsense solutions to protect vulnerable patients and allow medical groups to deliver high-quality care. If you have any questions, please contact Claire Ernst, Director of Government Affairs, at cernst@mgma.org or 202-293-3450.

Regards,

/s/

Anders Gilberg, MGA Senior Vice President, Government Affairs