WISCONSIN HOSPITAL ASSOCIATION

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March 13, 2023

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
7500 Security Blvd
Baltimore, MD 21244

**Re: CMS 0057-P, Medicare and Medicaid Programs; Patient Protection and Affordable Care Act; Advancing Interoperability and Improving Prior Authorization Processes for Medicare Advantage Organizations, Medicaid Managed Care Plans, State Medicaid Agencies, Children's Health Insurance Program (CHIP) Agencies and CHIP Managed Care Entities, Issuers of Qualified Health Plans on the Federally-facilitated Exchanges, Merit-based Incentive Payment System (MIPS) Eligible Clinicians, and Eligible Hospitals and Critical Access Hospitals in the Medicare Promoting Interoperability Program**

Dear Administrator Brooks-LaSure:

On behalf of our over 150 member hospitals and integrated health systems, the Wisconsin Hospital Association (WHA) appreciates the opportunity to comment on CMS-0057-P, the Centers for Medicare & Medicaid Services' (CMS) proposed rule for advancing interoperability and improving prior authorization processes.

WHA was established in 1920 and is a voluntary membership association. We are proud to say we represent all of Wisconsin's hospitals, including small critical access hospitals, mid, and large-sized hospitals, and academic medical centers. We have hospitals in every part of the state—from very rural locations to larger, urban centers. In addition, we count close to two dozen psychiatric, long-term acute care, rehabilitation and veterans' hospitals among our members.

**OVERVIEW**

Over the past few years, as our members have faced unprecedented challenges in meeting the care needs of people in our communities, our members also unfortunately have experienced growing challenges in securing timely authorization and payment for care provided to patients, often resulting in unnecessary care delays and increased administrative burdens.

While utilization management programs have a purpose in preventing fraud and abuse, our members have experienced a growing trend in what can only be characterized as a misuse of these processes. This misuse includes inappropriate denials of medically necessary services, requirements for unreasonable levels of documentation to demonstrate clinical appropriateness, inadequate provider networks to ensure patient access, and unilateral restrictions in health plan coverage in the middle of a contract year. All these add to administrative burden on an already overtaxed workforce and negatively impact patients.

The CMS proposed rule includes important policies to remove inappropriate barriers to patient care by streamlining prior authorization processes for impacted health plans and providers. These regulations would be a significant improvement to existing processes, helping clinicians focus their limited time on patient care rather than paperwork.

While CMS' proposals are all critical steps forward in advancing patients' timely access to care and easing administrative burden, we urge CMS to provide the enforcement and oversight necessary to ensure health plan compliance and facilitate meaningful change. In addition, while hospitals and health systems appreciate CMS' effort to improve the electronic exchange of care data to reduce provider burden and streamline prior authorization processes, we urge CMS to ensure that electronic standards are adequately tested and vetted prior to mandated adoption.

**TIMELINESS STANDARDS**

Patients should not be forced to wait to receive care. According to a 2022 American Medical Association survey, 94% of physicians reported that prior authorization leads to care delays. Clearly the prior authorization process needs reform.

One area of importance in reducing care delays is ensuring timely responses to prior authorization request. While we appreciate CMS' focus on reducing timelines, the proposed timeframes for insurers to deliver prior authorization responses are overly lenient.

Unlike other transactions between a provider and health plan, prior authorization has a direct impact on patient care. A prior authorization request is often the final step between a patient and the initiation of their care, making expeditious processing of such transactions extremely important. Prior authorization has been shown to cause significant delays in care, frequently leading to negative clinical outcomes for patients.

The technology proposed under this regulation could effectively eliminate the delays caused by slow delivery of medical documents, as it boasts the ability to deliver clinical information in real time. As a result, health plans should have the capability to determine whether the provider has met their established medical necessity threshold in a much timelier manner.

***We recommend that plans be required to deliver prior authorization responses within 72 hours for standard, non-urgent services and 24 hours for urgent services. Once the technology is in place, these timelines should be revisited and potentially reduced further.***

**IMPROVING PRIOR AUTHORIZATION PROCESSES AND USE OF PARDD API.**

Prior authorization policies burden providers and divert valuable resources from patient care. The American Hospital Association (AHA) issued a report in 2022 highlighting the massive administrative costs for health care providers that are due to burdensome insurer practices, including prior authorizations. The report noted that one large national hospital system spends $15 million per month on administrative costs associated with insurer prior authorization practices. In Wisconsin, Dr. Alan Kaplan and Abigail Abwongwa from UW Health wrote an article documenting the burden of waste in prior authorization processes. UW Health estimated that it spent $18.2 million in 2019 managing prior authorizations, with 65 FTE dedicated to handling these processes.

***Considering these burdensome realities, we strongly support prior authorization reform, including adoption of electronic prior authorization processes that can streamline the arduous process to improve patient care and reduce provider burnout.***

The Prior Authorization Requirements, Documentation and Decision (PARDD) Application Programming Interface (API) discussed in this proposed rule has the potential to support the needed transition to electronic prior authorization. Nonetheless, implementing new technology can be extremely resource-intensive for hospitals. We believe more testing is necessary to ensure the maturity of the API and to create the data needed to show providers that the investments and workflow changes needed to implement this solution will result in the projected process improvements. This is particularly true amidst the extreme financial strain that the ongoing pandemic has placed on hospitals.

***We fully support the ongoing development to ensure that the technology meets industry need and believe it is critical that any solution be fully developed and tested prior to wide scale industry rollout and required usage. This process should include careful consideration as to the transactions' scalability, privacy guardrails and ability to complete administrative tasks in a real-world setting.***

**DENIAL REASONS**

CMS' proposal would require impacted payers to provide a specific reason for prior authorization denials. The proposal acknowledges that providers must understand why a request is denied so they can either resubmit it with updated information, identify treatment alternatives, appeal the decision or communicate the decision to their patient. This proposal would help address a significant problem in the field, as providers and patients are often left without adequate explanation as to why a prior authorization request was denied.

***We support the requirement that payers provide specific reasons for denying prior authorization requests and encourage CMS to establish enforcement mechanisms to ensure that plans are compliant with these requirements.***

**DATA REPORTING REQUIREMENTS**

CMS' proposal would require plans to report prior authorization process metrics. We support such transparency and believe that by requiring these metrics be reported, the rule promotes much needed accountability. There is a significant amount of research that establishes the burden that inefficient prior authorizations have on patients and providers, however, data on the number of prior authorization requests, denials, costs and timeframes is not readily available. Such data would be valuable to both payers and providers in identifying trends in prior authorizations across plans. ***Thus, we would encourage CMS directly collect these data and make them publicly available on a single website, like other performance measures.***

Further, we encourage CMS to create mechanisms to use this data to guide oversight and enforcement activities. For example, we recommend that CMS regularly audit a sample of plan denials and timeframes, as well as use the data to target potentially problematic plans.

**PROVIDER USE OF ELECTRONIC PRIOR AUTHORIZATION**

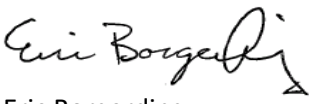
Hospitals and health systems are eager to adopt and use technology that improves the safety, quality and efficiency of care. Generally, in instances where adoption is slower, it is due to excessive financial cost or workforce burden that cannot be borne by the provider at that time.

While we understand CMS' desire to incentivize the use of the PARDD API, we believe utilizing a heavy-handed regulatory lever, such as the hospital Promoting Interoperability Program, is unnecessary. Given the already significant draws on limited IT resources for hospitals, health systems and clinicians, the burden of reporting the measure likely would outweigh the benefit of its use. If CMS is intent on moving forward with the inclusion of a measure reflecting provider use of the PARDD API, we encourage CMS to create an attestation-only measure to mitigate provider burden.

**CONCLUSION**

Thank you for the opportunity to comment on this proposed rule. We appreciate CMS's proposals to alleviate provider burden and improve patient care. If you have any questions, please feel free to contact Joanne Alig, WHA's Senior Vice President for Public Policy, at jalig@wha.org.

Sincerely,



Eric Borgerding
President & CEO