PRIOR AUTHORIZATION

2025 ISSUE BRIEF

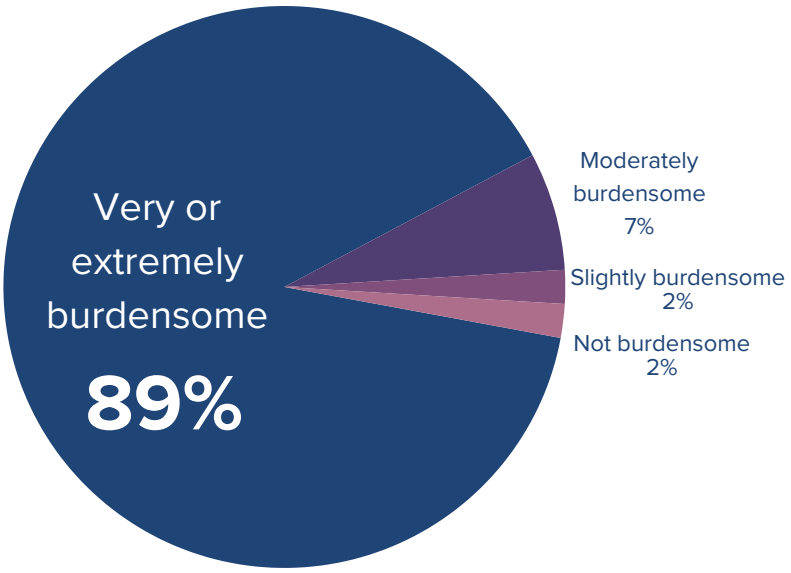
MGMA advocates for a concurrent, multi-step approach to reduce the overall volume and burden of prior authorization requirements. This includes working with others in the provider community, health plans, policymakers, and other critical stakeholders on solutions that more selectively implement prior authorization requirements and automate any remaining requests.

CURRENT LANDSCAPE

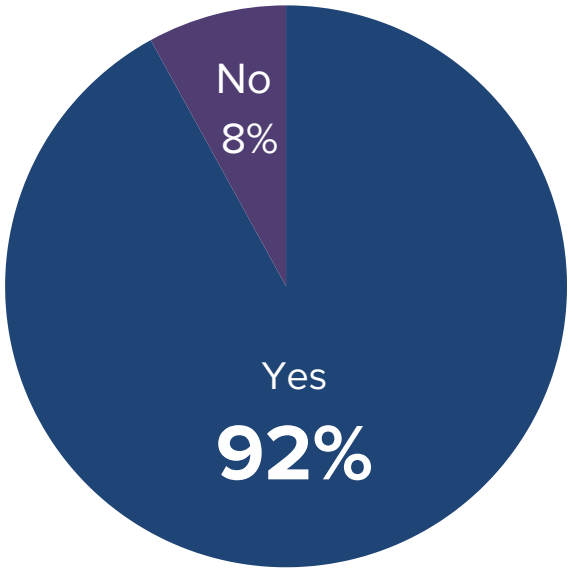
Health plans and prescription benefit managers increasingly require healthcare professionals to obtain prior authorization before providing medical services and prescription drugs. Prior authorization not only requires the practice to expend significant clinical and administrative resources but, more importantly, can interrupt, delay, and even prevent patient care. Obtaining prior authorization is often manually completed by the practice using the phone, fax, mail, or via a health plan proprietary web portal. Further complicating the process, health plans typically have different medical necessity requirements, and the authorization submission and appeals process varies across payers. Going into 2025, medical practices continued to rank prior authorization as the most significant regulatory burden they face.

Since prior authorization requirements are disruptive and burdensome for physician practices and their patients, MGMA is advocating for industry-wide solutions.

MEDICAL PRACTICES OVERWHELMINGLY REPORT PRIOR AUTHORIZATION REQUIREMENTS BEING VERY OR EXTREMELY BURDENSOME:



MEDICAL PRACTICES OVERWHELMINGLY REPORT HAVING HIRED OR REDISTRIBUTED STAFF TO WORK ON PRIOR AUTHORIZATIONS DUE TO THE INCREASE IN REQUESTS:



Source: MGMA's Annual Regulatory Burden Report

PRIOR AUTHORIZATION

2025 ISSUE BRIEF

CONGRESSIONAL ATTENTION

There is bipartisan support for modernizing the prior authorization process. In 2024, the *Improving Senior's Timely Access to Care Act* was introduced to increase transparency around how Medicare Advantage plans use prior authorization and establish electronic prior authorization standards. Despite widespread concern over the impact prior authorization has on patients' ability to receive medically necessary care, Congress has yet to pass legislation to reduce the volume of prior authorization, increase transparency, or promote electronic review.

ADVOCACY PRIORITIES

- **Reduce the overall volume** of prior authorizations on medical services and drugs
- **Waive prior authorization requirements** for clinicians in risk-based contracts or alternative payment models, which are inherently designed to facilitate cost-effective care delivery and appropriate utilization
- **Require transparency** of payer prior authorization policy and establish evidence-based clinical guidelines available at the point of care
- **Increase the automation and efficiency** of any remaining prior authorization requirements through adoption of industry-developed electronic standards and operating rules

MGMA GOVERNMENT AFFAIRS
1717 Pennsylvania Ave., Suite 600, Washington, DC 20006
202.293.3450 | govaff@mgma.com
www.mgma.com/advocacy
@MGMA | #MGMAAdvocacy