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ISSUE BRIEF

Reforming the Use of Prior Authorization

Prior authorization (PA) is a process used by health insurance plans requiring physicians to obtain approval before providing care to patients for covered services. This process is a major burden for physiatrists and increases the time and labor required to diagnose and treat their patients — delaying or, ultimately denying, access to care and potentially leading to negative health outcomes.

According to the HHS Office of Inspector General, the use of PA by insurers has increased significantly in recent years, particularly in Medicare Advantage (MA), which now covers one half of Medicare beneficiaries. Physicians working in inpatient rehabilitation hospitals and units (IRFs) report that an inordinate number of prior authorization requests for IRF care are initially denied by MA plans, which forces referring acute care hospitals to send patients to less intensive, and potentially inappropriate settings of post-acute care. Of those denials that are appealed, most are overturned on appeal. Excessive and unnecessary use of PA places an untenable burden on physicians and creates significant barriers to patients in accessing timely rehabilitation care. Data from the Medicare Payment Advisory Commission (MedPAC) demonstrate that MA beneficiaries receive one third the access to IRFs that traditional Medicare beneficiaries receive.

AAPM&R strongly supports the recently introduced *Reducing Medically Unnecessary Delays in Care Act of 2025* (H.R. 2433).This bipartisan legislation would require all prior authorization (PA) decisions and adverse determinations under Medicare, MA and Part D to be made by a licensed physician who is board-certified in the specialty relevant to the request.

AAPM&R will also be supporting the imminent reintroduction of the bipartisan *Improving Seniors' Timely Access to Care Act* (H.R. 8702/S. 4532 in the 118th Congress, with 231 cosponsors in the House and 59 in the Senate). Once reintroduced, this legislation would, among other things, codify recent regulatory actions by the Centers for Medicare and Medicaid Services (CMS) focusing on prior authorization reform and streamline and standardize prior authorizations for many routinely-approved items and services.

As more American citizens, especially seniors and individuals with disabilities and chronic conditions, turn to the Medicare program for their healthcare needs, it is crucial that prior authorization not function as a barrier to accessing medically necessary care. AAPM&R is strongly in favor of taking legislative steps towards reforming the prior authorization process and increasing transparency in all of the programs under CMS.

AAPM&R urges all Members to cosponsor the *Reducing Medically Unnecessary Delays in Care Act* (H.R. 2433), to support the *Improving Seniors' Timely Access to Care Act* once it is reintroduced, and to support additional legislative efforts to reform the prior authorization process in order to protect patient access to care and reduce physician burden.

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