IOWA HOSPITAL ASSOCIATION

We care about Iowa's health

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 115 Iowa hospitals, the Iowa Hospital Association (IHA) appreciates the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS) Advancing Interoperability and Improving Prior Authorization Processes proposed rule.

IHA is pleased the 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, IHA urges 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.

Inclusion of Medicare Advantage. IHA applauds CMS' proposal to require Medicare Advantage (MA) plans to adhere to the rule. This will significantly increase the number of plans that must adhere to the new requirements and thus the number of patients who will benefit from these proposals. This increased volume also serves to stimulate provider implementation of these new standards. Inefficient prior

authorization processes cause administrative burden for providers and inappropriate care delays for patients, and providers are eager to adopt more streamlined approaches. Iowa hospitals have struggled working within the different prior authorization systems and processes for the various MA plans. These issues include having doctors and specialists not being included in the network, significant delays in decisions on prior authorization requests delaying care provided to the patient, uploaded documentation to accompany a prior authorization request later not being in the plan's system, and more. Standardized electronic prior authorization transactions have the potential to save patients, providers and utilization review entities significant time and resources and can speed up the care delivery process. **IHA urges CMS to finalize the proposal to include MA plans.**

Improving Prior Authorization Processes. Prior authorization policies burden providers and divert valuable resources from patient care. Considering these burdensome realities, **IHA strongly supports 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. Hospitals 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. Iowa hospitals see this strain every day. Six out of ten Iowa hospitals report negative or unsustainable operating margins, and hospitals' total expenses are up $2.3 billion since 2019 and $1 billion from 2021 to 2022 alone. IHA fully supports 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.

Reason for Denial of Prior Authorization. IHA appreciates CMS' proposal to 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. **IHA supports this proposal and encourages CMS to establish enforcement mechanisms to ensure that plans are compliant with its requirements.**

Timeliness Standards. While IHA appreciates CMS' focus on shortening prior authorization timelines, the proposed timeframes are unreasonably 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. Iowa hospitals frequently experience

delays when working to transfer patients between an inpatient setting and other sites of care, such as post-acute care facilities. This is often due to waiting for approvals on prior authorization requests. Instituting timeliness standards for prior authorizations would greatly assist in ensuring patients are receiving the needed level of care in an appropriate timeframe.

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. Patients should not be forced to wait to receive care. **IHA recommends that plans be required to deliver prior authorization responses within 72 hours for standard, non-urgent services and 24 hours for urgent services for transactions utilizing the PARDD API.**

Prior Authorization Data Reporting Requirements. IHA strongly supports CMS' proposal to require plans to report prior authorization process metrics. We believe that by requiring plans to report such metrics, the rule promotes much needed transparency and the opportunity to build accountability. While there is a significant amount of research that establishes the burden that inefficient prior authorizations have on patients and providers, there are limited resources available for determining particularly problematic plans.

Plan prior authorization metrics buried on individual plan sites add little to no benefit to patients. Instead, IHA believes it **is important that CMS directly collect these data and make them publicly available on a single website, like other performance measures.**

Further, IHA encourages CMS to create mechanisms whereby this data is used to guide oversight and enforcement activities. This would help ensure compliance with CMS rules, which have direct impacts on patient access to care and outcomes. Accordingly, **IHA recommends that CMS regularly audit a sample of plan denials and timeframes, as well as use the data to target potentially problematic plans.** Without this level of detailed auditing, there will be ample opportunity for certain health plans to continue circumventing federal rules without detection, rendering the proposed patient transparency efforts and protections ineffective. Moreover, this will enable meaningful change to take place where it is needed most.

Incentivizing 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 hospitals 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, IHA encourages CMS to create an attestation-only measure to mitigate provider burden.

IHA thanks the Agency for the opportunity to comment on these important topics. We particularly appreciate CMS' thoughtful proposals to alleviate provider burden and improve patient care and access and appreciate your consideration of our recommendations. **IHA urges CMS to expeditiously finalize the Advancing Interoperability and Improving Prior Authorization Processes proposed rule and adopt the recommended modifications to improve timeliness standards and develop enforcement mechanisms to ensure payer accountability.** Please do not hesitate to reach out to me if you have any questions.

Sincerely,

Erin Cubit
Senior Director, Advocacy
Iowa Hospital Association