NEWS BRIEF

Provided by: National Insurance Services

Insurers Take Steps to Overhaul Prior Authorization Processes

Insurers, such as UnitedHealthcare, Cigna and Aetna, are announcing plans to revamp their prior authorization processes. These decisions were made as insurers await an impending federal regulation that will shorten prior authorization decision time. Prior authorization, also known as preauthorization, is when a physician must get approval from an insurer for medication or treatment before administering it.

A proposed Centers for Medicare and Medicaid Services (CMS) rule would limit the time insurers have to approve prior authorization requests. The rule is expected to be finalized in the near future. Starting in 2026, the CMS rule will require plans to respond to a standard request within seven days—instead of the current 14-day time frame—and within 72 hours for urgent requests. Physicians argue that the additional administrative steps associated with the preauthorization process can delay necessary services and increase the administrative burden.

"Prior authorizations help ensure member safety and lower the total cost of care, but we understand they can be a pain point for providers and members."

- *Dr. Anne Docimo, chief medical officer for UnitedHealthcare*

The Changes

Major health insurers plan to revamp their prior authorization processes by boosting automation and speeding up decision-making. Starting this summer, UnitedHealthcare will reduce the use of its prior authorization process by 20% for nonurgent surgeries and procedures. The company will also implement a national "gold card" program in early 2024, allowing certain eligible providers to perform most procedures without authorization.

Cigna has removed prior authorization reviews from nearly 500 services since 2020. Around 6% of medical services for their customers are subject to prior authorization and Cigna continuously reviews the need for prior authorization on services.

Similarly, Aetna continues to review and assess utilization and the need for prior authorization requirements on select services.

What's Next?

The CMS is expected to soon finalize its rule to streamline the prior authorization process, easing the burden on providers and patients. We'll keep you apprised of any notable updates.

In the meantime, employers should continue to monitor health care trends, utilization and spending. Contact National Insurance Services for more health care resources.

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