United States House Committee on
Ways & Means
CHAIRMAN JASON SMITH

H.R. 3514, *Improving Seniors' Timely Access to Care Act*

Rep. Kelly (R-PA), Rep. DelBene (D-WA)

Background:

- **54% of Medicare beneficiaries** – **32.8 million** – are enrolled in Medicare Advantage (MA).
- Medicare law requires MA plans to **provide seniors with the same services** they would get under traditional fee-for-service Medicare Parts A and B.
    - MA plans are allowed to manage utilization of health services, in part through requiring prior authorization to ensure medical necessity before allowing a service, but there have been concerns that MA plans are abusing prior authorization processes.
    - Similarly, if the MA plan believes a service is not medically necessary, it can deny payment.
- In 2024, MA **insurers received 53 million prior authorization requests**, up from 49.8 million in 2023, an average of 1.7 requests per enrollee.
    - **Insurers fully or partially denied 7.7% of requests** (4.1 million), up from 6.4% in 2023.
    - **11.5% of denials** were appealed, and **nearly 81% of denials were overturned**.
    - High rates of denials overturned after an appeal suggest **insurers may be abusing the prior authorization process**.
- In 2024, the Centers for Medicare & Medicaid Services (CMS) finalized a rule addressing the prior authorization process, **but areas to strengthen and solidify requirements remain**.

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- Delivers on **President Trump's Great Healthcare Plan to strengthen health care price transparency and insurer accountability:**
    - Requires standard prior authorization requests to be **completed in 7 days** and **urgent requests to be completed within 72 hours**.
    - **Streamlines and simplifies burdensome pre-approvals** by transitioning to an **electronic prior authorization** process.
    - Requires plans to **publicly disclose prior authorization information** including the number of prior authorization requests and the **number of requests denied and approved, as well as the total time to resolution**.
    - **Protects seniors by requiring enrollee involvement** in prior authorization program development and requiring **annual reviews** of prior authorization processes to ensure enrollee input.
    - Requires CMS to assess **real-time prior authorization processes**.
    - Requires reports to Congress **evaluating implementation** of the bill's prior authorization improvements.