Prior authorization is required for a wide range of services and medications in Medicare, Medicare Advantage (MA), and commercial health insurance plans. This process is intended to control costs but can delay necessary medical care and negatively influence patient outcomes.

The American Association of Orthopaedic Surgeons (AAOS) supports H.R. 4968, the GOLD Card Act of 2023, which exempts qualifying physicians from prior authorization requirements under MA plans. Reflecting legislation passed at the state level in Texas, the bill would exempt physicians, who in the previous year received approval for at least 90 percent of their prior authorization requests, from the prior authorization approval process by issuing a “gold card.” MA plans may revoke gold card status if less than 90 percent of claims approved would otherwise be denied.

In June 2022, 233 representatives and 61 senators demonstrated bipartisan support for prior authorization (PA) reforms in MA by writing to the U.S. Dept. of Health and Human Services and the Centers for Medicare & Medicaid Services (CMS). The letters asked CMS to finalize pending rules that would reign in the overreaches of MA plans that delay and deny care through utilization management tools like prior authorization.

Why the GOLD CARD Act of 2023 Matters:

A 2022 American Medical Association survey found 33 percent of physicians say that prior authorization has led to a serious adverse event such as hospitalization, disability, permanent bodily damage, or death for a patient in their care. Additionally, 88 percent of physicians describe the burden associated with prior authorization as high or extremely high. Physicians also reported prior authorization resulted in higher utilization of health care resources including an average of two working days per week taken up by prior authorization requests alone and 35% of physician hiring staff that work on prior authorization exclusively.

In April 2022, the HHS Office of Inspector General released a report which found that MA plans inappropriately denied up to 85,000 prior authorization requests in 2019, and nearly 20% of reimbursement payments were denied despite meeting Medicare coverage rules. The report included dozens of individual examples of improper denials for orthopaedic patients, including wrongful denials of MRIs, shoulder and knee x-rays, inpatient admission, rehab admission, durable medical equipment, and follow-up visits.

What Congress Should Do:

The AAOS recommends supporting H.R. 4968, the GOLD Card Act of 2023.

For more information, contact Catherine Hayes in the AAOS Office of Government Relations at hayes@aaos.org.

www.aaos.org/dc