**Medicare Red Tape Relief Project**

Submissions accepted by the Committee on Ways and Means, Subcommittee on Health

Date: August 25, 2017

Name of Submitting Organization: Physicians Advocacy Institute

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Statutory

Regulatory ✓

**Please describe the submitting organization’s interaction with the Medicare program**: PAI is a not-for-profit advocacy organization focused on securing fair and transparent payment for physicians. PAI’s Board is comprised of CEOs/former CEOs of state medical associations from California, Connecticut, Georgia, Nebraska, New York, North Carolina, South Carolina, Tennessee and Texas and a Kentucky physician. A significant portion of the members of these and other states’ medical societies treat Medicare patients and submit claims to Medicare.

**Short Description:** Medicare Advantage Prior Authorization Practices for Non-Covered Services

**Summary**:

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In recent years, CMS has required physicians to request pre-service organizational determinations (PSOD) from MA plans when patients require non-covered services. This requires patients to make return visits after the PSOD is rendered in writing, even when the patient was willing to receive and pay out-of-pocket for the non-covered service in the initial visit. This requirement creates unnecessary treatment delays and access issues, amounting to prior authorization for services that almost all medical practice administrators know are non-covered. This policy is inefficient and causes delays in treatment. This is particularly problematic for elderly patients who lack accessible transportation to medical appointments.

Prior to CMS’ guidance, MA members were often billed for non-covered services when a provider of non-covered services obtained a detailed waiver or an Advance Beneficiary Notice (ABN) from the member before the non-covered services were provided. This was a more efficient and effective way to ensure the patient had full understanding of his or her financial responsibility before receiving services.

**Related Statute/Regulation:**

42 CFR 422.566-576

CMS Guidance to MA Plans

**Proposed Solution:** CMS should eliminate the use of PSODs and instead allow the use of advance beneficiary notices in the MA program in order to eliminate treatment delays.