HHS Office of Inspector General
HIGHLIGHTS

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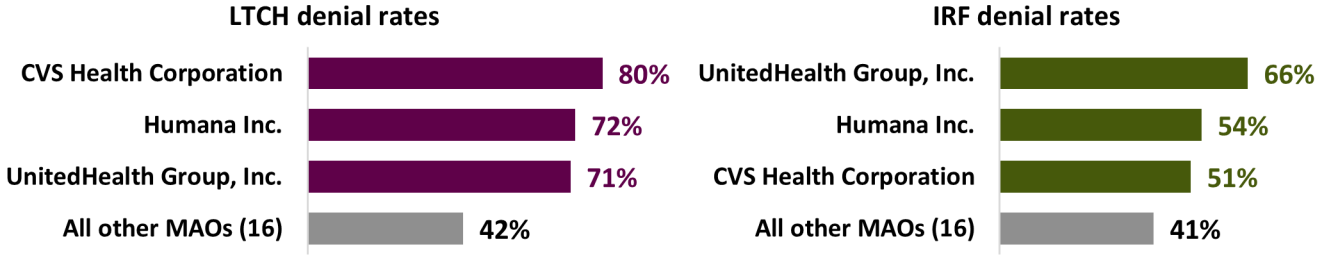
The Three Largest Medicare Advantage Organizations Denied Requests for Long-Term Acute Care and Inpatient Rehabilitation at Some of the Highest Rates

Why OIG Did This Review

- Previous OIG work raised concerns that Medicare Advantage organizations' (MAOs') use of prior authorization can in some cases result in denials and delays in access to needed care for enrollees. MAOs that inappropriately deny care are not delivering the full value that taxpayers pay them to provide.
- OIG identified denials of prior authorization requests for post-acute care after a hospital stay as a particular area of concern. This report shines new light on variation in denial and overturn rates of requests for admission to long-term care hospitals (LTCHs) and inpatient rehabilitation facilities (IRFs), which provide therapeutic and rehabilitative care to patients after an illness or injury.

What OIG Found

- Among the 19 MAOs in this review, the 3 largest MAOs by enrollment denied prior authorization requests for care in LTCHs and IRFs at higher rates than most of their peers in June 2024.



- When enrollees appealed, MAOs collectively overturned 36 percent of LTCH denials and 43 percent of IRF denials, indicating that some enrollees were initially denied medically necessary care. Some MAOs had much higher overturn rates than their peers. For example, IRF overturn rates ranged by MAO from 14 percent to 86 percent.
- In some cases, high denial rates were driven by contractors that denied prior authorization requests on behalf of the MAOs, many of which were later overturned on appeal by the MAO. This raises concerns about whether contractors are receiving appropriate training and oversight from MAOs.

What OIG Recommends

To efficiently identify and respond to concerning patterns of prior authorization denials, CMS should: (1) regularly collect request-level prior authorization data that include service type and contractor information and (2) assess reasons for the wide variation in LTCH and IRF denial and overturn rates across MAOs and contractors and take action as appropriate. CMS did not explicitly concur or nonconcur with either of our recommendations.