

PRIOR AUTHORIZATION

ENCOURAGE YOUR STAFF TO APPEAL DENIALS; THEY MAY WIN

ONE OF THE biggest frustrations health plan enrollees can face is learning that care recommended by their doctor has been denied by their insurer.

Many health insurers use prior authorization, which requires approval before the plan covers certain medical services, procedures or treatments. But employees who receive a denial may not realize that they have the right to appeal the decision — and that an initial denial is not necessarily the final word.

Recent research by *Bloomberg News* and KFF found that a significant share of appealed prior authorization denials is overturned. While the research examined Medicare Advantage, Medicaid-managed care and Affordable Care Act Marketplace plans rather than employer-sponsored group health plans, the findings highlight the potential value of challenging a denial.

Employers can help by educating workers about their appeal rights and directing them to their health plan's procedures when care is denied.



A growing source of frustration

Prior authorization has become a hot-button issue as patients and doctors complain that the requirements can delay medically recommended care and create administrative headaches.

Health insurers say prior authorization helps prevent unnecessary or overly expensive care and control health care costs. However, criticism from patients, providers and policymakers has prompted the insurance industry to take steps to streamline the process.

Insurers participating in an industry initiative have pledged to reduce the number of services subject to prior authorization and standardize the way requests are submitted and reviewed.

Still, denials remain common enough that employers may want to make sure workers know what to do when they receive one.

Appeals can succeed

The *Bloomberg News* analysis found that about half of prior authorization denials were reversed when appealed, with reversal rates reaching roughly nine in 10 for some plans.

KFF's analysis of insurer data for 2025 found similarly significant reversal rates. Among appealed standard prior authorization denials, 43% were overturned in plans sold through the federally facilitated ACA Marketplace.

At the same time, appeals are relatively rare. That suggests some patients may be abandoning recommended care after receiving

an initial denial even though an appeal could have resulted in approval. Provide your staff with guidance from the box below.

What your employees can do

- **Read the denial notice.** Determine exactly why the request was denied and note all appeal deadlines and instructions.
- **Contact their doctor.** The provider may be able to supply additional medical records, correct missing information, resubmit the request or request a peer-to-peer review.
- **Contact the health plan.** Ask what documentation and coverage criteria were used to make the decision and what is required for an appeal.
- **File an internal appeal.** Follow the procedures and deadlines listed in the denial notice and plan documents.
- **Request expedited consideration when appropriate.** Urgent situations in which a delay could jeopardize a patient's health may qualify for faster review.
- **Explore external review rights.** If the insurer upholds its denial, the employee may have the right to have the case reviewed by an independent outside organization.
- **Keep records.** Employees should retain denial letters, medical records, appeal documents and notes from conversations with the insurer and providers.