FAQ: Advancing Interoperability and Improving Prior Authorization Processes Final Rule

Updated: January 2024

The US Centers for Medicare & Medicaid Services (CMS) released the Advancing Interoperability and Prior Authorization Processes final rule text to the public on January 17, 2024 finalizing many of the proposals, and altering others, contained in the agency’s proposed rule released in 2023. CMS states the goal of this final rule is to “improve the electronic exchange of health care data, as well as to streamline prior authorization processes” for both payers and providers. Implementation and compliance dates span from January 1, 2026 to January 1, 2027 depending on the requirement.

Impacted Payers:
- Medicare Advantage (MA) organizations;
- State Medicaid fee-for-service (FFS) programs;
- State Children’s Health Insurance Program (CHIP) FFS programs;
- Medicaid Managed Care Plans;
- CHIP Managed Care Entities; and
- Qualified Health Plan (QHP) Issuers on the Federally Facilitated Exchanges (FFE).

Impacted Providers:
- Eligible Hospitals and Critical Access Hospitals (CAHs) reporting under the Medicare Promoting Interoperability (PI) Program; and
- MIPS Eligible Clinicians reporting under the PI performance category of the MIPS program.

Implementation and Compliance Deadlines
- Impacted payers must implement certain operational provisions, generally beginning January 1, 2026;
- Operational or process-related prior authorization policies for impacted payers have a compliance date of January 1, 2026 and the initial set of metrics must be reported by March 31, 2026;
- Impacted payers must comply, generally, with the application programming interfaces (API) development and enhancement requirements beginning January 1, 2027; and
- Eligible clinicians, hospitals, and CAHs will begin reporting on the Electronic Prior Authorization measure under the PI program in the 2027 reporting period.

API Provisions of the Final Rule:
- Requires impacted payers to include information about prior authorizations, excluding those for drugs in the Patient Access API;
- Requires impacted payers to implement and maintain a Provider Access API to share patient data with in-network providers with whom the patient has a treatment relationship;
Patients may opt-out of having their data included in this API.

- Requires data fields in the Provider Access API to include:
  - individual claims and encounter data;
  - data classes and data elements in the United States Core Data for Interoperability (USCDI); and
  - specified prior authorization information, excluding those for drugs.

- Requires impacted payers to implement and maintain a Payer-to-Payer API to make available claims and encounter data, USCDI data classes and data elements, and information about certain prior authorizations for patient data with a date of service within five years;
  - There will be a patient opt-in process for the sharing of this data.

- Requires impacted payers to implement and maintain a Prior Authorization API that:
  - includes a list of covered items and services;
  - can identify documentation requirements for prior authorization approval;
  - supports a prior authorization request and response; and
  - includes data on whether the payer approves or denies the prior authorization request, with the reason for denial or the need for additional information.

**Improving Prior Authorization Processes provisions:**

- Requires impacted payers to send prior authorization decisions within 72 hours for expedited request and seven calendar days for standard requests;
- Requires impacted payers, beginning in 2026, to provide a specific reason for denied prior authorization requests regardless of the method used to send the prior authorization request; and
- Requires impacted payers to publicly report metrics annually on their website.

**Electronic Prior Authorization Measure for MIPS Eligible Clinicians and Eligible Hospitals and Critical Access Hospitals (CAHs) provisions:**

- The addition of a new “Electronic Prior Authorization” measure in the Health Information Exchange (HIE) objective for the MIPS Promoting Interoperability performance categories and the Medicare PI Program; and
- An attestation measure with a “yes/no” response that an eligible clinician, hospital, or CAH has requested a prior authorization electronically via a Prior Authorization API using data from a certified electronic health record technology (CEHRT) for at least one medical item or service, excluding drugs, during the 2027 performance or reporting period.

Under this final rule, CMS requires the use of specific standards in the creation and implementation of these APIs and recommended the use of specific implementation guides. It is widely expected future rulemaking by the Office of the National Coordinator for Health Information Technology (ONC) in 2024 will include mandates for the implementation of these standards in CEHRT technology.

If you have questions, please contact the AHIMA Advocacy and Policy team at advocacy@ahima.org.