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Statement from Lora Pellegrini, President and CEO of the MA Association of Health Plans
On Prior Authorization Reforms
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The Massachusetts Association of Health Plans (MAHP) and our member plans are committed to ensuring access to high-quality, evidence-based, and cost-effective health care for the individuals, families, and employers we serve. Whether through employer-sponsored coverage or government programs like Medicaid and Medicare Advantage, health plans are expected to use evidence-based tools to ensure that members receive the right care, at the right time, in the right setting.

One such tool is prior authorization, which is used selectively and thoughtfully to promote safe, effective, and appropriate care. It plays a critical role in identifying high-risk or high-cost treatments, tests, and prescription drugs that may be overused or inappropriate, helping protect patients and control unnecessary spending. This is particularly important in Massachusetts, where the Health Policy Commission has found that more than 20% of patients receive low-value care, that is care that provides minimal benefit, can pose risks, and adds nearly \$80 million in avoidable health care costs.

Contrary to common misperceptions, prior authorization is used sparingly. In behavioral health, it applies to only about 2% of services, while it is used more frequently for prescription drugs, where approximately 25% of prescriptions may require review. Both public and private health plans use prior authorization as a safety and cost-management measure. Efforts to restrict or eliminate prior authorization in the Massachusetts commercial market could increase health care premiums by an estimated \$5.6 billion annually, according to an October 2023 Milliman analysis.

Health plans are already held to strict timelines under Massachusetts law, required to respond to completed prior authorization requests within two business days, or the request is automatically approved. However, delays often result from missing clinical information, incomplete submissions, or lack of response to outreach efforts by the plan. It is critical to address these process issues rather than eliminate an important tool that promotes both quality and affordability.

Encouragingly, progress is already underway. At the national level, carriers recently announced a major initiative to streamline and improve the prior authorization process, including commitments to reduce the volume of requirements, improve transparency, and expand the use of automation to support real-time decision-making. In Massachusetts, similar efforts are advancing through the adoption of automated prior authorization systems and the use of Treatment and Referral platforms that support timely discharges and improved communication between payers and providers.

MAHP and our member plans are committed to continuing this progress. We stand ready to work collaboratively with the Massachusetts Health & Hospital Association, the Massachusetts Medical Society, Health Care for All, and other stakeholders on common-sense solutions to modernize prior authorization while maintaining its essential role in supporting patient safety, care quality, and cost containment.

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