

H.R. 3173 would establish new requirements for Medicare Advantage plans that use prior authorization.

CBO's Estimate of the Statutory Pay-As-You-Go Effects of H.R. 3173, Improving Seniors' Timely Access to Care Act of 2021

As posted to the Website of the Clerk of the House on September 14, 2022

<https://docs.house.gov/billsthisweek/20220912/BILLS-117hr3173-SUSv1.pdf>

By Fiscal Year, Millions of Dollars												2022-2027	2022-2032
2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032			
Increases or Decreases (-) in Direct Spending													
Total Changes in Direct Spending													
Estimated													
Budget Authority	0	25	0	897	2,131	2,498	2,708	2,093	2,225	2,109	1,559	5,551	16,245
Estimated Outlays	0	5	18	899	2,131	2,498	2,708	2,093	2,225	2,109	1,559	5,551	16,245

Components may not sum to totals because of rounding.

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H.R. 3173 would require most Medicare Advantage plans to establish an electronic program for prior authorizations and to report new data to the Secretary that would later be made publicly available. The new data would include a list of services subject to prior authorization as well as data on several metrics specified in the legislation. For example, plans would be required to report the number of service requests that they received and the share of those requests that were denied.

In addition, plans would be required to respond to expedited requests for prior authorization of services within 24 hours and to other requests within seven days. Most provisions of H.R. 3173 would go into effect three years after enactment, but the data reporting requirements would go into effect four years after enactment. For this estimate, CBO assumes that H.R. 3173 will be enacted before the end of calendar year 2022.

Under current law, prior authorization is a utilization management tool that limits coverage to cases that meet the plan's standards of review. By placing additional requirements on plans that use prior authorization, we expect H.R. 3173 would result in a greater use of services. We expect Medicare Advantage plans would increase their bids to include the cost of these additional services, which would result in higher payments to plans.