

Electronic Prior Authorization: Industry Commitments & Finalized and Proposed Rulemaking

Summer 2025 Electronic Prior Authorization Pledge Objectives	CMS Interoperability & Prior Authorization Final Rule (CMS-0057-F) Released: 2/8/2024	CMS Interoperability Standards & Prior Authorization for Drugs Proposed Rule (CMS-0062-P) Released: 4/10/2026	HTI-4 Final Rule Released: 8/4/2025	Hospital IPPS & LTCH Prospective Payment System Proposed Rule (CMS-1849-P) Released: 4/10/2026
Standardize electronic PA submissions using HL7 FHIR®-based APIs	<p>Requires impacted payers¹ to implement Prior Authorization APIs to support electronic PA for items and services in 2027</p> <p>Requires impacted payers to implement Provider Access APIs, Payer to Payer APIs and incorporate PA information into the Patient Access API in 2027.</p>	<p>Should the proposals in this proposed rule be finalized as proposed, they would:</p> <p>Require impacted payers² to incorporate drugs covered under a medical benefit into their Prior Authorization APIs by 10/1/2027.</p> <p>Require impacted payers to support electronic PA for drugs covered under a pharmacy benefit using NCPDP standards by 10/1/2027</p> <p>Require impacted payers to report API endpoints to CMS within 60 days of the final rule effective date to enable publication in a centralized location</p> <p>Adopt FHIR for PA-related HIPAA Administrative Simplification transactions in place of the X12N 278 and X12N 270/271 transaction standards for covered entities</p>	<p>Requires health IT certified to the e-prescribing criterion to use the updated NCPDP SCRIPT standard version 2023011 by 1/1/2028 and support PA transactions at the time a health IT developer presents a Health IT Module for certification using NCPDP SCRIPT standard version 2023011</p> <p>Finalizes 3 new health IT certification criteria for electronic PA APIs based on HL7 FHIR Da Vinci implementation guides</p>	<p>Should the proposals in this proposed rule be finalized for the Medicare Promoting Interoperability Program as proposed, they would:</p> <p>Make the measure under the Program an optional measure and earn eligible hospitals and critical access hospitals bonus points for satisfactorily reporting the measure for the EHR reporting period in CY 2027 (PA for items and services)</p> <p>Make the measure required under the Program for the EHR reporting period in CY 2028</p>
Expand real-time responses to minimize delays	<p>Establishes PA decision timeframes (72 hours expedited, 7 calendar days standard) for</p>	<p>Should the proposals in this proposed rule be finalized as proposed, they would:</p>		

¹ 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),

² 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), including issuers that offer small group market QHPs on the Federally-facilitated Small Business Health Options Program (FF-SHOP) Exchanges (hereinafter referred to as "small group market QHP issuers on the FF-SHOPS)

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in care with real-time approvals	items and services in 2026 to reduce slow payer responses and care delays	Establish PA decision timeframes (24 hours expedited, 72 hours standard) for drugs by 10/1/2027		
Enhance transparency and communication around authorization decisions and appeals	<p>Improves provider notices by requiring a reason for denying a PA, regardless of the method of the prior authorization, for medical items and services in 2026</p> <p>Requires impacted payers to incorporate information about the PA of items and services into the Patient Access, Provider Access, Payer to Payer APIs</p> <p>Requires annual publication of PA metrics for items and services by 3/31/2026</p>	<p>Should the proposals in this proposed rule be finalized as proposed, they would:</p> <p>Improve provider notices by requiring impacted payers to provide a reason for denying a PA for drugs by 10/1/2027</p> <p>Require impacted payers to incorporate information about the PA of drugs into the Patient Access, Provider Access, Payer to Payer APIs</p> <p>Require submission of usage metrics for Provider Access, Payer to Payer, and Prior Authorization APIs beginning 1/1/2028</p> <p>Require annual publication of PA metrics for drugs by 3/31/2026</p>		-

Other Notable Milestones	
June 2025	58 Health insurers pledged to standardize electronic PA submissions using FHIR APIs, reduce services subject to PA, honor existing authorizations, enhance transparency and communication around PA decisions and appeals, minimize delays in care with real-time approvals, ensure medical professionals review all clinical denials
April 2026	Leading health plans announce significant progress against 2025 summer commitment to reduce the volume of medical services subject to PA, citing estimated 11% reduction in PA volume in some cases.

- HTI-4: Health Data, Technology, and Interoperability: Electronic Prescribing, Real-Time Prescription Benefit and Electronic Prior Authorization
- IPPS & LTCH: Inpatient Prospective Payment System and Long-Term Care Hospital
- PA: Prior Authorization
- FHIR: Fast Healthcare Interoperability Resources
- API: Application Programming Interface
- NCPDP: National Council of Prescription Drug Programs