

OSMA MSS ADVOCACY GRAND ROUNDS

ALGORITHMS AT THE GATE

AI prior authorization comes to Ohio Medicare, and what physicians can do about it

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The six WISeR pilot states



OVERVIEW

WHAT THIS TALK COVERS

- 01 Literature: the burden of prior authorization and algorithm-driven denials
 - 02 WISeR: what changed for Ohio's traditional Medicare patients in 2026
 - 03 Current legislation: federal, state, Ohio, payers, and professional societies
 - 04 Research: the record so far and a proposed Ohio data collection
 - 05 Three principles for AI in prior authorization, and next steps for advocacy
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TERMINOLOGY NOTE

SIX TERMS THIS TALK RELIES ON

Prior authorization (PA)

A payer's approval required before a service is delivered, as a condition of coverage.

Utilization review

A payer's review of whether care is medically necessary, such as prior authorization

Adverse determination

A denial, reduction, or delay of coverage on medical-necessity grounds. WISeR calls it a “non-affirmation.”

Traditional Medicare vs. Medicare Advantage

Traditional Medicare rarely used PA. Private MA plans use it widely and enroll 55% of eligible beneficiaries (2026).

WISeR

CMS Innovation Center's Wasteful and Inappropriate Service Reduction Model. Runs 2026–2031 in six states.

AI-assisted vs. AI-decided

The core question: may an algorithm be the basis of a denial, or only a tool a clinician checks?

LITERATURE REVIEW

PRIOR AUTHORIZATION IS ALREADY A WEEKLY BURDEN AND A SAFETY PROBLEM

40

prior authorizations completed per physician each week

13 hrs

of physician and staff time spent on prior authorization each week

95%

say prior authorization delays access to necessary care

26%

report it led to a serious adverse event for a patient

79%

say patients abandon treatment because of it

60%

worry AI will push denial rates even higher

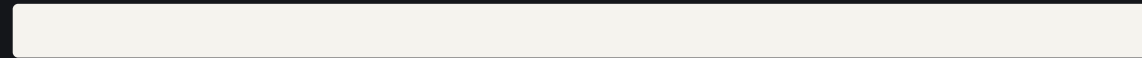
LITERATURE REVIEW

MOST APPEALED DENIALS ARE OVERTURNED, BUT FEW PATIENTS APPEAL

80.7%

of appealed Medicare Advantage prior authorization denials were partly or fully overturned in 2024

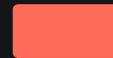
Denied: 4.1 million (7.7% of 52.8 million requests)



Appealed: 11.5% of denials (about 472,000)



Overturned on appeal: 80.7% of appeals (about 381,000)



HHS OIG (2022): 13% of sampled Medicare Advantage prior auth denials met Medicare coverage rules and would likely have been approved in traditional Medicare.

Before WISeR, traditional Medicare's prior auth was small: about 625,000 reviews in FY2024, 22.9% denied.

LITERATURE REVIEW

THE MEDICARE ADVANTAGE PRECEDENT

U.S. Senate investigation, October 2024

8.7% → 22.7%

UnitedHealthcare's post-acute care denial rate, 2019 to 2022

9x

rise in UnitedHealthcare's skilled nursing facility denials over the same period

\$77.3M

savings CVS projected from its “Post-Acute Analytics” initiative, which started in its Ohio and Kentucky MA plans

Litigation over algorithmic denials

Estate of Lokken v. UnitedHealth (D. Minn.)

Alleges the nH Predict algorithm cut off post-acute care. Contract claims survived dismissal (Feb 2025); broad discovery allowed (Sep 2025).

Kisting-Leung v. Cigna (E.D. Cal.)

Alleges the PXDX system let reviewers reject claims in about 1.2 seconds each, without opening patient files.

Barrows v. Humana (W.D. Ky.)

Similar allegations over Humana's use of nH Predict.

WISER

HOW WISER WORKS IN TRADITIONAL MEDICARE

RUNS

Jan 1, 2026 – Dec 31, 2031

WHERE

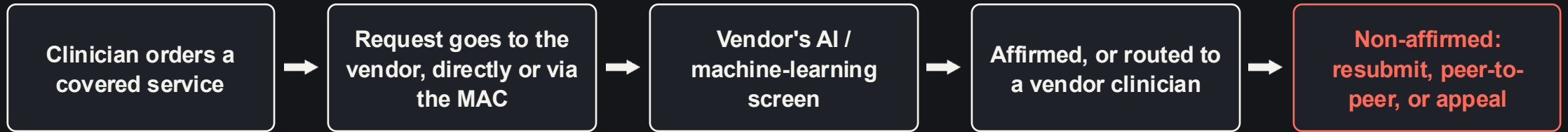
AZ, NJ, OH, OK, TX, WA

OHIO VENDOR

Innovaccor

VENDOR PAY

A share of spending on
care it averts



No prior auth requested? The claim goes to pre-payment medical review, with records due within 45 days.

WISER

THIRTEEN SERVICE CATEGORIES NEED APPROVAL IN 2026

Neuromodulation

- Electrical nerve stimulators
- Vagus nerve stimulation
- Phrenic nerve stimulator
- Hypoglossal nerve stimulation for obstructive sleep apnea
- Induced lesions of nerve tracts

Spine and pain

- Epidural steroid injections
- Cervical fusion
- Percutaneous vertebral augmentation for compression fracture

Urology

- Sacral nerve stimulation for urinary incontinence
- Incontinence control devices
- Diagnosis and treatment of impotence

Orthopedics

- Arthroscopic lavage and debridement for knee osteoarthritis

Wound care

- Skin and tissue substitutes (selected jurisdictions)

Sources: CMS, WISer provider fact sheet (Performance Year 1); CMS-5056-N2 (Apr 2026) and KFF (Feb 2026), which report that CMS delayed lumbar decompression and deep brain stimulation to a later year.

WISER IN OHIO

OHIO'S FIRST NINE MONTHS UNDER WISER

Late 2025

A month before launch, Ohio's vendor, Innovaccer, told CMS its software “lacked full functionality and had not been fully tested,” and planned to auto-approve requests until it was ready.

Jan 2026

WISeR goes live in Ohio's traditional Medicare, alongside five other states.

Feb 2026

OSMA CEO Todd Baker: “Anytime you add a layer into the process of having to get approval to deliver care to someone, that can slow down the process.”

Mar 2026

Provider feedback to CMS about Innovaccer: patients “calling our offices crying in pain”; one provider watched 3 patients “cry at bedside” waiting on kyphoplasty approvals; one practice waited 45+ days for a tracking number as surgeries were canceled

Apr 2026

A CMS status report says Innovaccer still had not finished developing or testing some features; its letters to CMS show it still clearing request backlogs.

Sep 2026

Across all six states, CMS records released through a FOIA lawsuit show two vendors (not named) denied 5,944 requests in the first three months; one request went unanswered for 83 days.

Sources: CMS records obtained by EFF via FOIA, as reported by EFF, Fierce Healthcare, and Medical Daily (Sep 2026); Statehouse News Bureau (Feb 10, 2026)

CURRENT LEGISLATION: FEDERAL

FEDERAL EFFORTS TO STOP WISER SO FAR

Legislation	Purpose	Status
Ban AI Denials in Medicare Act (H.R. 6361), Rep. Greg Landsman (D-OH-1)	End the WISeR test and bar AI-based prior auth in Medicare Parts A and B	Introduced Dec 2, 2025
Seniors Deserve SMARTER Care Act, Sen. Gillibrand; House companion, Rep. DelBene	Prohibit CMS from implementing WISeR	Introduced Dec 16, 2025
Congressional Review Act resolution	Disapprove the WISeR model	Failed in the Senate, 46–50 (Jul 16, 2026)
Labor-HHS appropriations rider	Bar funding to implement WISeR	FY26: dropped from final law. FY27: adopted unanimously by House Appropriations (Jun 2026); not yet law

Sources: Rep. Landsman (Dec 2025); Sen. Gillibrand (Dec 2025); Fierce Healthcare (Jul 17, 2026); KFF (Feb 2026); DelBene et al. letter (Mar 27, 2026); LeadingAge (Jul 17, 2026); Congress.gov (H.R. 3514)

CURRENT REGULATION: FEDERAL

FEDERAL RULES PROTECT MA PATIENTS, NOT WISER PATIENTS

Medicare Advantage coverage rule (2023) and 2024 guidance

Plans may not deny based on an algorithm that ignores the individual patient's circumstances. Before a medical-necessity denial, a licensed reviewer with expertise “appropriate for the services at issue” must review it.

Prior authorization rule (CMS-0057-F)

Since Jan 2026: decisions in 72 hours (expedited) or 7 days (standard), with specific denial reasons. Public prior auth metrics from Mar 31, 2026. Covers MA, Medicaid, CHIP, and plans on the federally facilitated exchanges.

Executive order, Dec 11, 2025

Creates a DOJ AI Litigation Task Force to challenge state AI laws. Congress declined to preempt state AI laws twice in 2025, so state laws stand for now.

The gap: CMS's Medicare Advantage protections don't cover WISeR, which runs in traditional Medicare. State laws can't reach Medicare or self-funded employer (ERISA) plans either.

CURRENT LEGISLATION: STATES

AT LEAST 11 STATES LIMITED AI DENIALS; OHIO HAS NOT

A clinician, not the AI, makes the denial

California and Illinois (2024); Arizona, Nebraska, and Texas (2025); Washington, Utah, Indiana, and Georgia (2026). Arizona, Texas, and Washington are WISeR states.

The AI must weigh the patient's own record

California (2024), Maryland (2025), and Alabama (2026) require AI tools to use the patient's own clinical history.

Regulators can look inside

Tool inspection or audit: Texas, Maryland.
Disclosure of AI use: Nebraska, Utah. Regular reporting or annual certification: Maryland, Alabama.

Ohio: SB 164 / HB 579 has sat in committee since 2025. None of these state laws can reach traditional Medicare or self-funded employer (ERISA) plans, so none can touch WISeR.

Sources: KFF (May 2026); Kansas Legislative Research Dept. (Mar 2026); Holland & Knight (May 2026); Arizona State Law Journal (Feb 2026). The count of 11 is ours; KFF counted 9 as of Apr 2026.

CURRENT LEGISLATION: OHIO

OHIO: HB 220 IS MOVING; ITS AI COMPANION SITS IN COMMITTEE

Current law

SB 129 (2016)

Ohio's prior auth statute (R.C. 1751.72, 3923.041, 5160.34) sets response deadlines of 48 hours for urgent requests and 10 calendar days for others. Appeals go to a clinical peer in the same or a similar specialty. Nothing about AI.

Passed House 84–11 · now in Senate

HB 220 (Reps. Workman & Brennan)

- Honors prior auth through dosage changes
- Plans must name the appeal reviewer's specialty and credentials
- No fees to appeal a denial
- Limits retroactive denials, including for mental health and SUD care
- Commercial plans and Medicaid; effective Jan 2028 as written

In committee since 2025

SB 164 (Sen. Cutrona) / HB 579 (Rep. Schmidt)

- No coverage decision based “solely” on AI
- A licensed physician or qualified provider reviews the individual record
- Plain-language rationale on AI-involved denials
- Annual algorithm reports and audit authority for the Superintendent of Insurance

Sources: Ohio LSC analyses of HB 220 (Mar 2026) and SB 164 (Oct 2025); LegiScan; OSMA Top Legislative Issues; OSMA SB 129 summary. HB 220 and SB 164 are both before the Senate Financial Institutions, Insurance & Technology Committee.

CURRENT LANDSCAPE: PAYERS

THE INSURER PLEDGE: FEWER REQUESTS, SAME DOUBTS

The June 2025 AHIP–BCBSA pledge

- Signed by about 50 insurers, including UnitedHealthcare, Elevance, Aetna, Cigna, Humana, and Centene
- Shrink the list of services that need prior auth
- A common electronic prior auth framework by Jan 1, 2027
- Clearer determination letters and appeal instructions

Reported progress, Apr 2026 (self-reported by insurers):

11%

of prior auths eliminated

6.5M

fewer requests

15%

fewer in Medicare Advantage

What physicians report (AMA, May 2026)

33%

believe the pledge will make a meaningful difference

24%

say medical-necessity denials are consistently reviewed by qualified clinicians

16%

say peer-to-peer reviewers often or always have appropriate qualifications

CURRENT POLICY: PROFESSIONAL SOCIETIES

ORGANIZED MEDICINE AGREES ON SAFEGUARDS

American Medical Association

2023 House of Delegates policy: payer AI review must use criteria from national specialty guidelines and peer-reviewed literature; reviewers must not be incentivized to deny and must have relevant expertise; a human must examine the patient record before any denial.

61% of physicians fear payers' use of unregulated AI is increasing prior auth denials (AMA 2025 survey).

Ohio State Medical Association

Lists HB 220 and “SB 164 & HB 579 – Transparency in Health Plan Use of AI” among its top legislative issues. Testified for HB 220 (Oct 2025); CEO publicly critical of WISeR (Feb 2026).

2026 House of Delegates: MSS Resolution 30 asked OSMA to support monitoring WISeR in Ohio (access, denial rates, outcomes) and efforts to reevaluate it.

Still missing: standards for the AI itself.

Arizona Medical Association

Championed HB 2175, which requires medical-director review of AI-driven denials in a fellow WISeR state.

“We need to still have that human touch, because not everything fits into an algorithm.” — Dr. Sarah Lee-Davisson

RESEARCH: IN THEIR WORDS

WHAT THE RECORD SAYS

“Anytime you add a layer into the process of having to get approval to deliver care to someone, that can slow down the process.”

Todd Baker, CEO, Ohio State Medical Association
(Feb 2026)

Patients “calling our offices crying in pain.”

Ohio provider feedback on WISeR vendor
Innovaccer, in CMS records (Mar 2026)

“We need to still have that human touch, because not everything fits into an algorithm.”

Dr. Sarah Lee-Davisson, Arizona Medical
Association (Jun 2025)

RESEARCH

A PROPOSED OHIO WISER IMPACT SURVEY

Setting	Clinicians and practice staff in WISeR specialties: spine and pain, neuromodulation, urology, orthopedics, wound care
Design	REDCap survey plus de-identified practice-log review, Jan 2026 - present
Measures	Requests submitted, days to decision, non-affirmation rate, resubmission and peer-to-peer outcomes, delayed or canceled procedures, staff hours
Comparison	The same services under Medicare Advantage
Oversight	Clinical institution

[]

requests logged

[]

median days to decision

[]

non-affirmed

[]

procedures delayed or canceled

Why it matters: OSMA's HB 220 testimony relied on national AMA data. Ohio-specific numbers make testimony harder to dismiss.

THREE PRINCIPLES

THREE PRINCIPLES FOR AI IN PRIOR AUTHORIZATION

1

Evidence

AI models used in prior authorization should be built on peer-reviewed medical sources and reviewed by medical societies.

2

Transparency

Every AI-made decision, and every denial above all, should state plainly that an AI made it and give the reasoning behind it.

3

Accountability

An actively practicing, licensed physician in the relevant specialty should approve every denial. The law should spell out whether the insurer, the approving physician, or both are liable when a denial harms a patient's health.

These apply to traditional Medicare, Medicare Advantage, Medicaid, and commercial plans alike.

THREE PRINCIPLES

HOW FAR CURRENT POLICY GOES

Principle	Where policy stands	What is missing
Evidence	AMA policy (2023): review criteria from specialty society guidelines and peer-reviewed literature. Illinois: evidence-based criteria that meet URAC or NCQA standards. SB 164: annual algorithm reports to the state.	None of the laws in this talk gives medical societies a formal role in reviewing the models.
Transparency	Nebraska and Utah require insurers to disclose AI use. SB 164 would require a plain-language reason for any AI-involved denial.	Ohio's prior auth statute has no AI disclosure requirement, and SB 164 has sat in committee since April 2025.
Accountability	Ohio's SB 129 sends appeals to a clinical peer in the same or a similar specialty; HB 220 would make plans name the appeal reviewer's specialty and credentials. Arizona requires a medical director's independent review. Only 16% of physicians say peer-to-peer reviewers usually have the right qualifications (AMA, 2026).	No law here requires an actively practicing physician in the specialty to approve the initial denial. Liability is unsettled; no federal law has established who would take the blame

Sources: AMA (2023 policy; May 2026 survey); Illinois P.A. 103-0656; KLRD (Mar 2026); Holland & Knight (May 2026); Ohio LSC analyses of SB 164 and HB 220; OSMA SB 129 summary; H&H Law (Dec 2025); Aetna Health Inc. v. Davila, 542 U.S. 200 (2004)

ADVOCACY NEXT STEPS

WHERE PHYSICIANS CAN PUSH

Federal

- Ask Ohio's delegation to keep the House's WISeR funding ban in the final FY27 Labor-HHS bill, or to back H.R. 6361
- While WISeR runs: hold its vendors to the three principles and push CMS to publish approval rates, decision times, and appeal outcomes
- Hold CMS to its 72-hour target and a working gold-card exemption

State

- Urge the Senate committee to pass HB 220 amended to carry all three principles
- Ask Ohio Medicaid to write the three principles into managed-care contracts
- Ask legislators to state in law who is liable when a denial harms a patient
- Testify with Ohio data, not only national surveys

Institution and OSMA

- Build on MSS Resolution 30 (2026) with a resolution adding the three principles to OSMA policy
- Department WISeR tracking log and appeal workflow
- CME session on WISeR submissions and the 90% gold-card threshold

ADVOCACY NEXT STEPS

FIVE THINGS TO DO THIS MONTH

1

Log it

Every WISeR request: date sent, date decided, and the outcome.

2

Fight it

Resubmissions are unlimited and peer-to-peer is available. In 2024, 80.7% of appealed MA denials were partly or fully overturned.

3

Say it

Call or write your state senator: pass HB 220 with the three principles added.

4

Share it

Send de-identified patient stories to OSMA and FixPriorAuth.org.

5

Join it

OSMA membership is free for students at Ohio's medical schools. Join, and help bring these principles to the House of Delegates.

SUMMARY

WHAT TO REMEMBER

Prior authorization already takes about 13 hours of practice time a week, and 80.7% of appealed Medicare Advantage denials are partly or fully overturned.

Algorithm-driven denials have a documented record in Medicare Advantage and are now being disputed in court.

Since January 2026, WISeR has required AI-screened prior auth for 13 service categories in Ohio's traditional Medicare, with vendors paid from averted spending and early reports of harmful delays.

By our count, at least 11 states limit AI in utilization review, including WISeR states Arizona, Texas, and Washington; Ohio's SB 164 / HB 579 is still in committee while HB 220 moves.

Any AI in prior authorization should meet three principles: peer-reviewed models checked by medical societies, disclosure of every AI decision and its reasoning, and denials approved by a practicing physician in the specialty, with liability set in law. Physicians can push for them in Congress, the Ohio Senate, OSMA, and their own practices.

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THANK YOU

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- Contact: axo359@case.edu

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