



## Prior Authorization Leveraging Automation to Reduce Denials

June 2026

# Agenda

1. Key Drivers of Automation & AI Use in Authorizations & Utilization Management
2. Key Use Cases of Automation & AI for Authorizations
3. Organizational & Operational Best Practices to Enable AI & Automation Use
4. Call to Action



# Speaker Introductions



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# 01

## Key Drivers of Automation & AI Use in Authorizations & Utilization Management



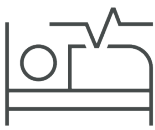
# Operational Pressures Driving the Use of AI for Prior Authorizations

Hospitals are facing prior authorization challenges driving the use of artificial intelligence (AI).



## Administrative Burdens

**12 hours per week average** (each physician) spent on authorization-related tasks<sup>1</sup>



## Care Delays & Adverse Events

**1 out of every 4 physicians** has reported the prior authorization process has led to serious adverse events<sup>1</sup>



## Complex Payor Environment

**Inconsistent & evolving payor policies** & workflows challenge hospitals & can impact revenue

<sup>1</sup>2024 American Medical Association prior authorization physician survey

# Legislative Pressures Driving the Use of AI & Automation

WISeR Model is the first large-scale federally driven pilot using AI for authorizations (Medicare).

CMS WISeR Model Initiative	
Regulation Summary	<b>Expanding the authorization &amp; prepayment review requirements for select traditional Medicare services:</b> <ul style="list-style-type: none"><li>• Initial pilot in six (6) U.S. states &amp; specific services</li><li>• CMS contractors with <b>AI-powered</b> solutions to support review &amp; processing</li></ul>
CMS Stated Goals	<b>Reduce fraud, waste, &amp; abuse through use of AI</b>
Timeline	<b>January 1, 2026–CY 2027</b> w/potential expansion

# WISeR Model Pilot States & Services

Impacted service categories & states as of January 1, 2026, with potential to expand

Service Category
Electrical Nerve Stimulators <sup>1</sup>
Sacral Nerve Stimulation for Urinary Incontinence <sup>2</sup>
Phrenic Nerve Stimulator
Vagus Nerve Stimulation <sup>3</sup>
Induced Lesions of Nerve Tracts
Epidural Steroid Injections for Pain Management
Percutaneous Vertebral Augmentation (PVA) for Vertebral Compression Fracture (VCF)
Cervical Fusion <sup>1</sup>
Arthroscopic Lavage and Arthroscopic Debridement for the Osteoarthritic Knee
Hypoglossal Nerve Stimulation for Obstructive Sleep Apnea
Incontinence Control Devices
Diagnosis and Treatment of Impotence
Percutaneous Image-Guided Lumbar Decompression for Spinal Stenosis

**Skin and Tissue Substitutes** (Only applicable to selected WISer MAC jurisdictions and states with an active LCD in place during the WISer PYs starting on January 1, 2026, as of November 21, 2025):

- Application of Bioengineered Skin Substitutes to Lower Extremity Chronic Non-Healing Wounds
- Wound Application of Cellular and/or Tissue Based Products (CTPs), Lower Extremities

Source: WISeR Model Provider Factsheet, cms.gov

## States Impacted

- New Jersey
- Ohio
- Oklahoma
- Texas
- Arizona
- Washington

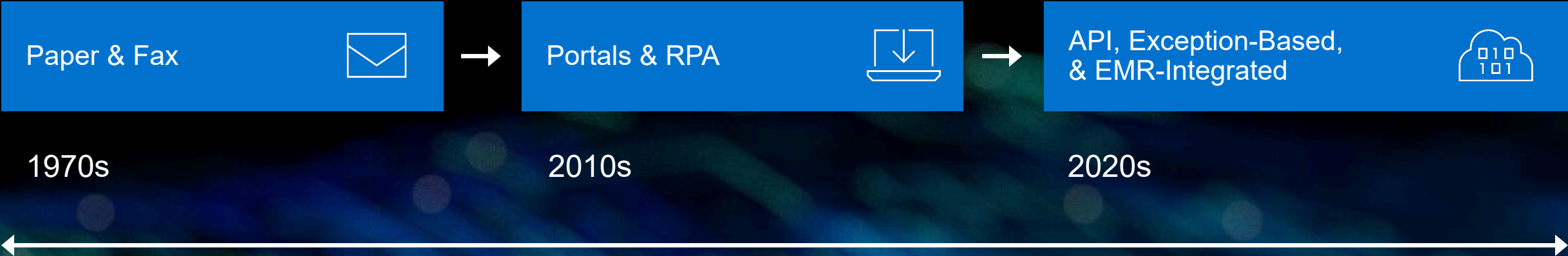
# Legislative Pressures Driving the Use of AI & Automation

CMS' Prior Authorization final rule can dramatically change the authorization landscape.

<b>CMS Interoperability &amp; Prior Authorization Final Rule (CMS-0057-F)</b>	
<b>Regulation Summary</b>	<b>Payor mandates modernizing data exchange &amp; authorization procedures:</b> <ul style="list-style-type: none"><li>• <b>Timeline requirements</b> to process authorization requests</li><li>• <b>Requirements to publicly report</b> prior authorization metrics</li><li>• <b>Requirements to provide APIs</b> that enable:<ul style="list-style-type: none"><li>• Automated determination of auth</li><li>• Visibility into documentation requirements</li><li>• Electronic submission of auth requests</li><li>• Structured decision information</li></ul></li></ul>
<b>CMS Stated Goals</b>	<b>Reduce administrative burden, improve care continuity &amp; transparency</b>
<b>Timeline</b>	January 1, 2026–CY 2027 w/phased rollout approach

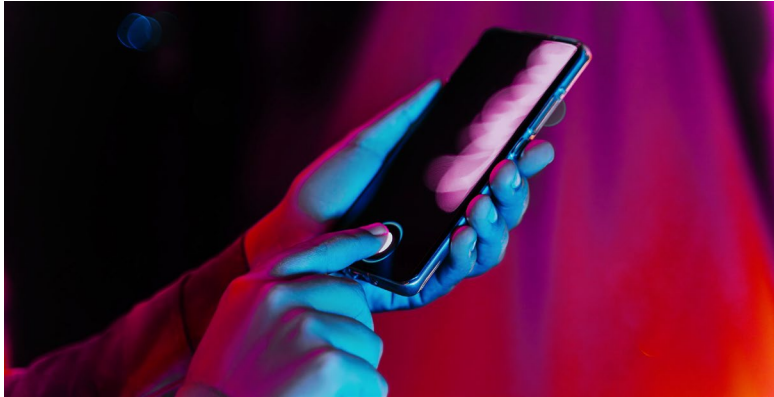
# Advancement of Prior Authorization Technology

Process & technology still varies widely across hospitals, payors, & systems.



# Advancement of AI Technology

Technology has advanced & is pushing the next wave of innovation.



## 1. Large Language Models (LLM) & Generative AI

AI technology focused on creating new content w/existing data, e.g., ChatGPT

## 2. Natural Language Processing

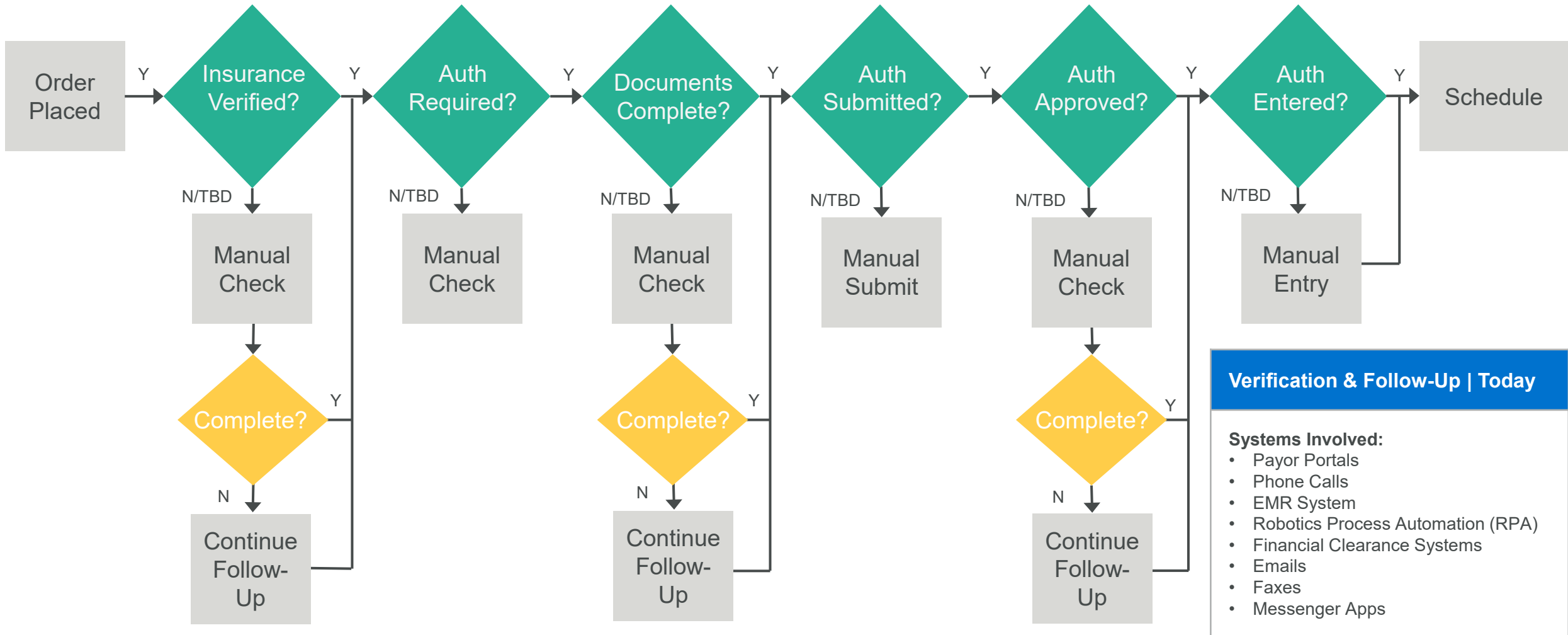
Ability to process & interpret natural language (ambient listening)

## 3. Agentic AI

AI technology with the ability to perform independently & adapt without human effort

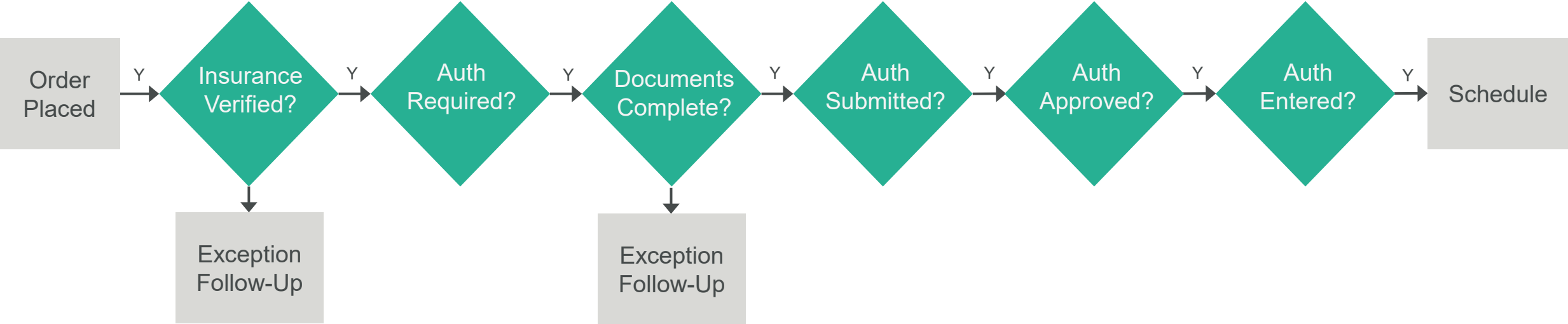
# Current State of Authorizations

Complex workflow today for a “clean” process drives demand for a new solution.



# Future State of Authorizations

Automation & AI have the potential to transform authorizations & patient experience.



## Verification & Follow-Up | Future State

**Process of Tomorrow:**

- Strong integration between EMR & multiple authorization channels
- Leveraging AI for policy & medical necessity screening prior to auth submission
- Automated & event driven task completion

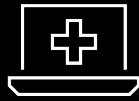
# Future State of Authorization Structure

Shifted focus from task completion to **patient experience, documentation excellence, & payor accountability**



## Patient Access

Timely intake & scheduling mgmt.



## Clinical Ops

Timely, complete, & structured documentation



## Managed Care

Enforce payor requirements



## IT & Systems

Revenue cycle & ops alignment

# 02

## Key Use Cases of Automation & AI for Authorizations



# Using Automation for Prior Authorizations Today

Available automation & landscape is complex, requiring a strategic & thoughtful approach

Auth Task			Potential Opportunities for Authorization Automati
Verification			Verify Authorization is Required (Y/N)
Screening			Documentation, Medical Necessity, & Policy Adherenc
Submission			Submit Authorization to Payor
Status			Check Prior Authorization Approval Status
Entry			Enter Authorization Details
Other (direct/indirect)			<ul style="list-style-type: none"> <li>• Insurance &amp; coordination of benefits</li> <li>• Coverage discovery</li> <li>• Notice of Admission</li> <li>• Post-Service Auth Reconciliation</li> <li>• Event Driv</li> <li>• Exception</li> <li>• Denials &amp;</li> <li>• Re-Verify</li> </ul>

# Use of AI for Utilization Management & Inpatient Authorizations

Improvement in AI & automation can also impact the inpatient & clinical workflows in a similar approach.

Clinical & Inpatient Use	Primary Benefit
Ambient Listening	Improved completeness, accuracy, & timeliness of clinical documentation
Inpatient NOA & Authorization	Automatically provide notice of admission for inpatients/observation & support completion of authorization

# Using AI to Improve Inpatient Authorization Workflows

AI helps enhance inpatient/observation, CDI, & care management workflows.

**Prior Authorization Automation  
(Criteria Matching)**

**Real Time Admission Status  
(IP vs. Observation)**

**Concurrent  
Authorization Monitoring**

**Documentation Gap Detection (NLP)**

**Denial Prediction & Risk Scoring**

**Automated Appeals Generation**

# Using AI to Prevent & Manage Authorization Denials

AI enhances existing hospital initiatives to help prevent & appeal denials & underpayments.

Denial Management Use	Primary Benefit
<b>AI-Powered Denial Prevention &amp; Underpayment Analytics</b>	Identification & resolution of payor denials prior to billing &/or write-off
<b>AI-Powered Compliance Monitoring &amp; Payor Surveillance</b>	Identification & monitoring of adherence to overall payor policy updates
<b>AI-Driven Appeals</b>	Reduced administrative work & increased appeal success

# Optimizing Denials Management Analytics

Analytics can support identification & proactive resolution of key issues.

1

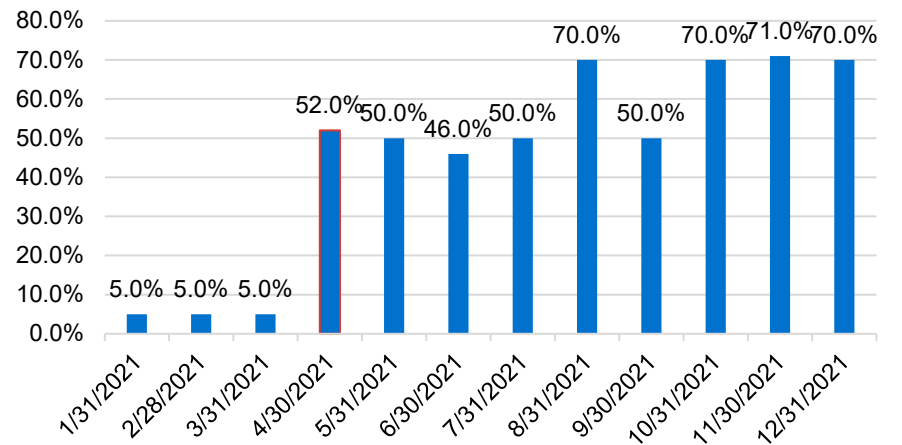
Denial Reason Category	Denied Amount (\$)	Denied Amount (#)
Additional Documentation Needed	\$32,364,291	39,644
Authorization	\$11,097,981	10,504
Eligibility/Registration	\$8,922,371	14,132
Coordination of Benefits	\$7,633,978	13,444
Miscellaneous	\$4,917,687	8,420
All Others	\$19,387,811	36,860
<b>Total</b>	<b>\$84,324,119</b>	<b>123,004</b>

2

Denial Reason Category	Denied Amount (\$)	Denied Amount (#)
Medication/Infusion	\$3,015,951	1,164
Surgical & Other Procedures	\$1,334,998	840
Radiology	\$798,202	812
Other	\$741,199	2,152
Radiation Oncology	\$484,131	60
All Others	\$1,140,898	2,024
<b>Total</b>	<b>\$7,515,378</b>	<b>7,052</b>

4

J2505 Monitoring Alert



3

Top 3 Medication/Infusion CPT Codes	Denied Amount (\$)
HC-J9201 – Gemcitabine hcl injection	\$540,216
HC-J2505 – Injection, pegfilgrastim 6mg	436,174
HC-C9069 – Belantamab mafodotin-blmf	313,202
<b>Total</b>	<b>\$1,289,592</b>

\*Forvis Mazars Denials Management Monitoring (Analytics Platform)

# 03

## Organizational & Operational Best Practices to Enable AI & Automation Use



# Organizational Structure & Strategy to Enable AI & Automation Use

A strong data & governance structure is critical for the success of authorization & other AI use.



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## AI Strategy & Road Map

Establish enterprise & RCM strategy & road map aligned with systems.



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## Data & Systems Infrastructure

Address data infrastructure needed to power data-driven solutions.



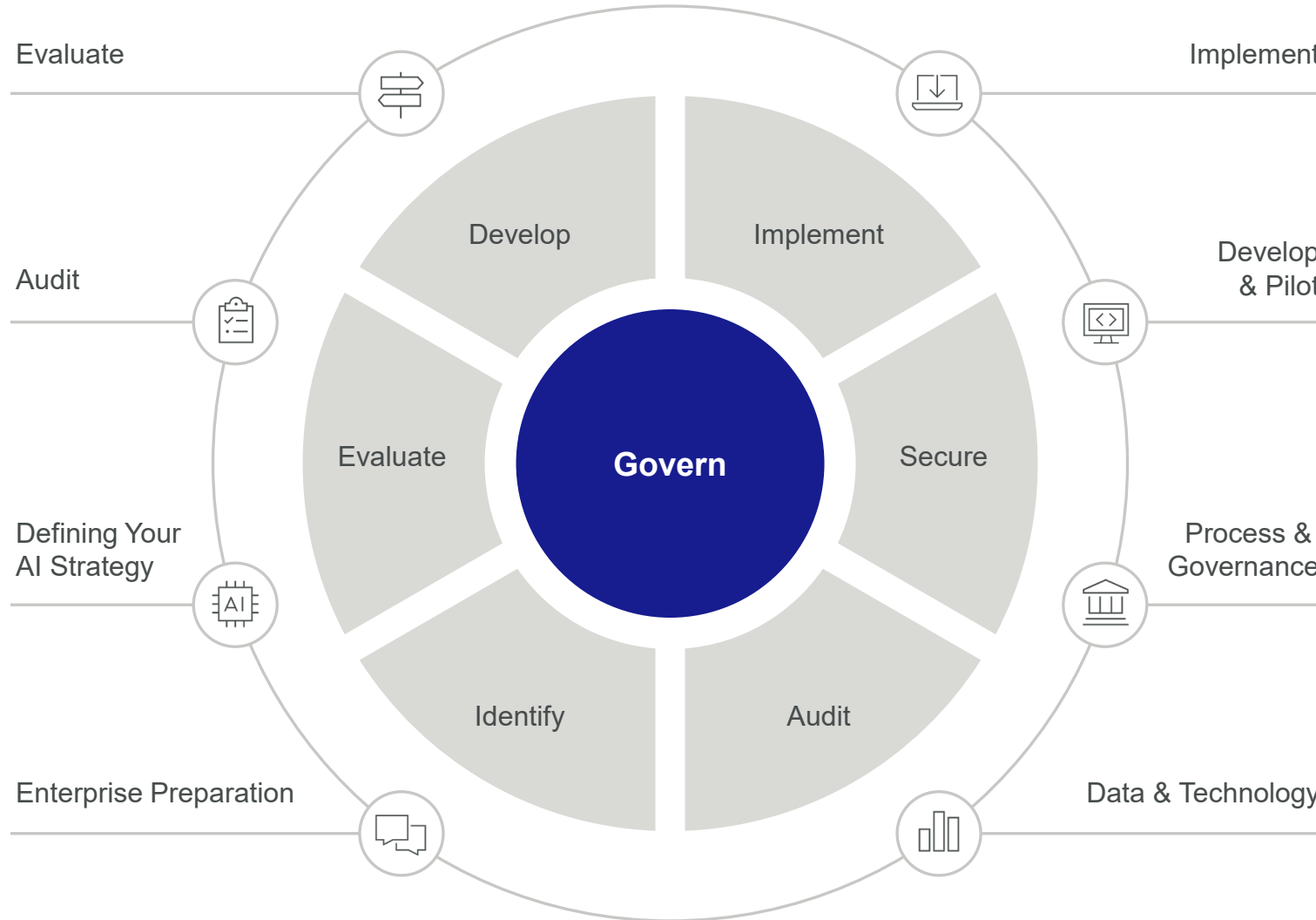
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## AI Governance

Establish AI & IT governance structure with appropriate expertise & close revenue cycle alignment.

# AI Governance & Strategy

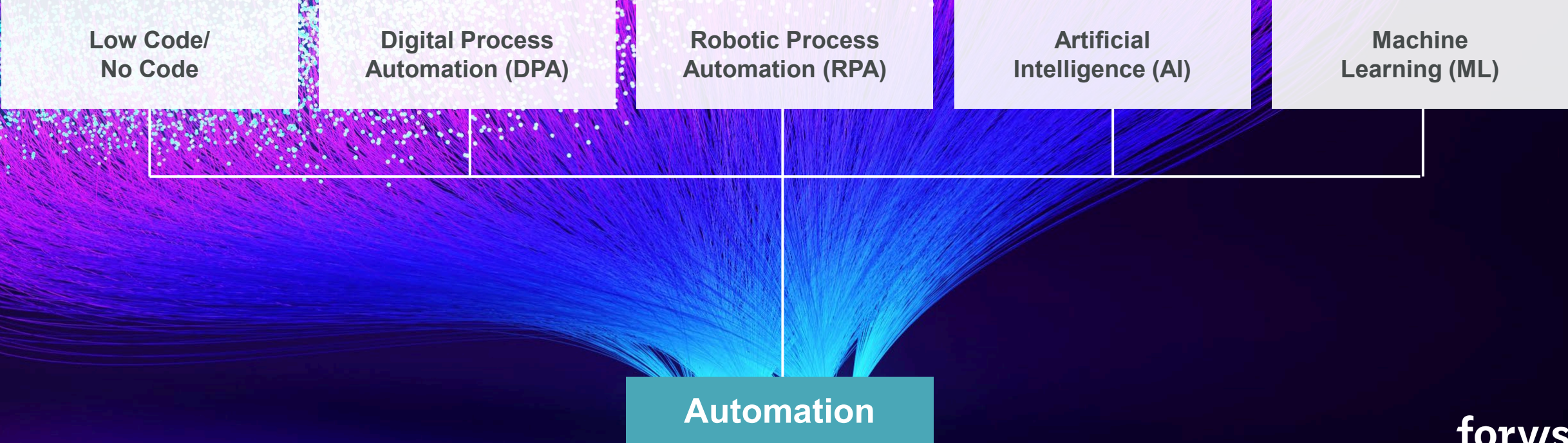
- Evaluate**
  - AI Risk Assessment
  - Regulatory Matrix & Compliance
  - AI Inventory & Reporting
  - Control Identification & Testing
- Audit**
  - Data Privacy
  - Cyber Risk & Testing
  - Third-Party Risk (TPRM)
  - AI Model Risk (MRM)
- Defining Your AI Strategy**
  - Current State
  - Evaluation & Readiness
  - AI Identification & Design
  - Analysis for Operational Efficiencies
  - Strategic Road Map
  - Specific Use Cases
- Enterprise Preparation**
  - Training & Awareness
  - Executive Buy-in Support
  - Bias & Fairness Screening
  - Implementing Governance
  - Acceptable User



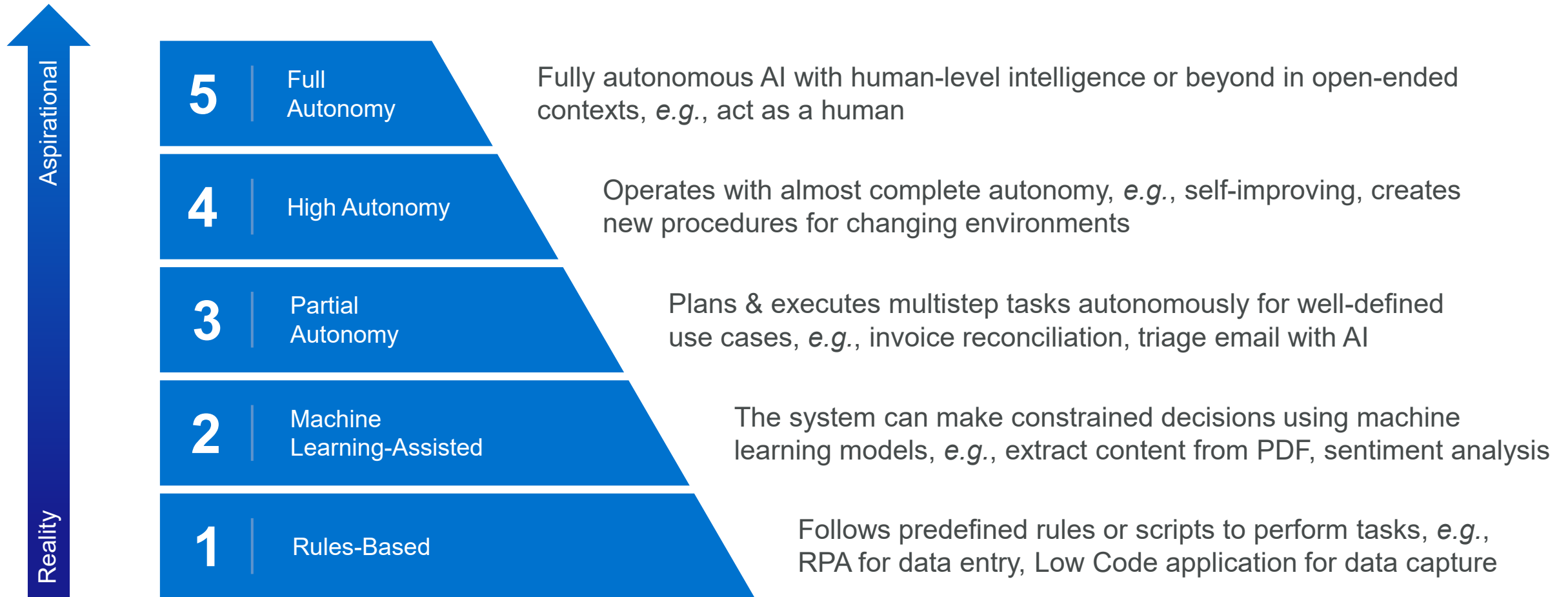
- Implement**
  - RAG Implementation
  - Machine Learning Model Development
  - Agentic AI Tooling
  - GenAI Application Integration
- Develop & Pilot**
  - Program Management
  - Security & Access Control
  - Use Case Evaluation
  - Data Set Ingestion
  - Continuous Monitoring
- Process & Governance**
  - ROI Measurement & Tracking
  - Bias & Fairness Screening
  - Governance Development & Integration
  - Regulatory Matrix & Compliance
- Data & Technology**
  - Infrastructure Readiness
  - Data & IT Architecture
  - Data Lineage
  - Data Engineering
  - AI Data & Technology Assessment
  - Unstructured/Structured Data Preparation

# AI & Automation Implementation

It is important to utilize the right approach for implementing authorization & AI.



# AI & Automation Scale



# Optimizing Financial Clearance & Administrative Workflows

Accurate capture of patient information, standardized policies, & use of technology are also key drivers for authorization automation success.



## Accurate

Comprehensive intake of critical patient info



## Standardized

Financial clearance policies & expectations



## Technology

Coverage discovery & technology-enabled solutions

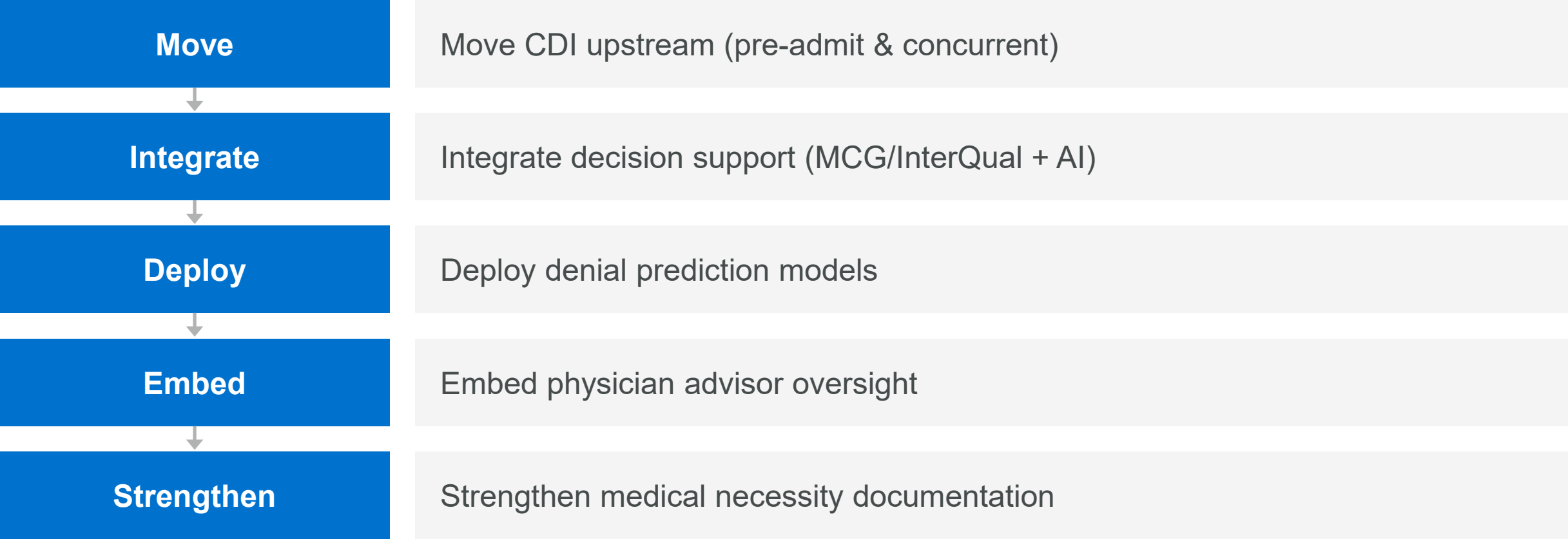
# Optimizing Financial Clearance & Administrative Workflows

## Impact



# Optimizing Care Management & Documentation Workflows

Strong documentation & care management workflows are key to optimizing authorization success & reducing denials.

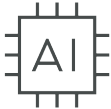


# Optimizing Care Management & Documentation Workflows

## Why It Matters



Denials driven by medical necessity gaps



Payors using AI for authorization review



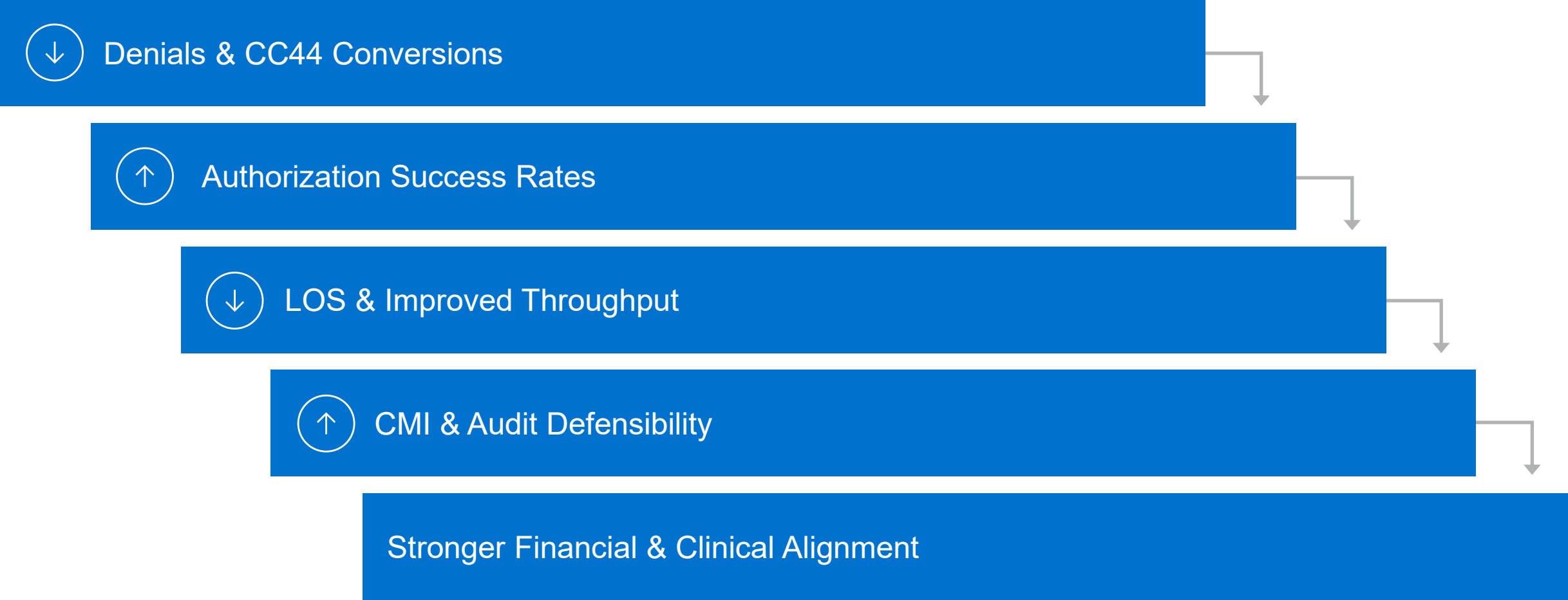
Documentation quality = financial outcome



Authorization + CDI + UR must function as one system

# Optimizing Care Management & Documentation Workflows

## Impact



# 04

Call to Action



# Summary & Call to Action

1

## Revenue Cycle Workflows

Prior authorization automation still depends on a strong foundation of revenue cycle procedures, policies, & intake.

2

## Documentation & Clinical Workflows

Timely, structured, & comprehensive documentation can help combat payor denials & enable greater use of automation.

3

## Infrastructure & Get Started

AI governance, data infrastructure, & domain expertise are critical but important to start the journey & not remain sidelined.

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