

BENEFITS BREAKDOWN

August 2025



HHS Announces Support From Insurers for Changes to Prior Authorization

A KFF survey revealed that about 1 in 6 insured adults say they've had prior authorization problems. U.S. Health and Human Services (HHS) Secretary Robert F. Kennedy Jr. [announced](#) that almost 50 health insurers, including Blue Cross Blue Shield Association, Cigna, Elevance Health, Humana and UnitedHealthcare, have voluntarily pledged to standardize and reform the prior authorization process. There are six key parts of this pledge:

1. Standardize electronic prior authorization submissions.
2. Reduce the number of medical services that require prior authorization.
3. Honor existing authorizations when patients change insurance plans in the middle of ongoing treatment.
4. Enhance transparency and communication about authorization decisions and appeals.
5. Minimize delays with real-time approvals for most requests.
6. Ensure medical professionals review all clinical denials.

This voluntary pledge aims to cut red tape, accelerate care decisions, and enhance transparency for patients and providers. As such, health insurers are working to develop standardized data and submission requirements for electronic prior authorization by Jan. 1, 2027. They will also work on reducing the scope of claims that require prior authorization by Jan. 1, 2026, and ensure authorizations are valid for a 90-day period if the patient changes insurance companies during treatment. Keep in mind that this is simply a commitment and not a finalized rule. Employers will have to wait and see what happens, continuing to monitor prior authorization changes.

The Rising Cost of Chronic Conditions

The U.S. Centers for Disease Control and Prevention (CDC) reported that treating chronic conditions accounts for a staggering 90% of the nation's health care costs. About 133 million Americans live with one or more chronic diseases, which translates into an increased cost for employers. On average, employer health care coverage for an employee with a chronic condition is five times higher than coverage for those without one.

Specifically, cardiovascular diseases are one of the most significant contributors to health care costs. Heart disease and stroke could affect over 60% of adults in the United States by 2050 and reach \$1.8 trillion in related expenses. After adjustments for inflation, this means that costs related to cardiovascular diseases would triple over the coming decades. Furthermore, obesity is correlated with other costly chronic conditions, including heart disease, Type 2 diabetes and sleep apnea. The CDC published a report that found that in 2019, annual obesity-related medical care costs in the United States were estimated to be nearly \$173 billion.

Fortunately, employers are well-positioned to help fight chronic health conditions and strategize ways to contain costs associated with chronic conditions. Employers can also promote health and productivity among their workforce. Contact us for more information about cost-mitigation strategies.