Medicaid Operations Advisory Partners, LLC
Operational Intelligence for Medicaid Payers and Providers

THE MEDICAID PA & APPEALS OUTLOOK

Insights, trends, and developments shaping Prior Authorization and Appeals across the Medicaid ecosystem.

JULY 2026

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WHY THIS MATTERS NOW

Live reporting, live state effective dates, formal federal recommendations, and a zero-for-100 denial audit mean organizations that wait for final rules will be building evidence controls after the oversight environment has already moved.

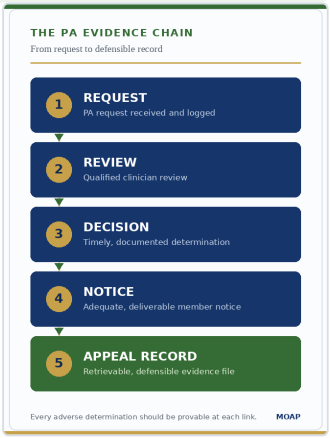
Medicaid PA Is Moving From Decision-Making to Decision Proof

Across June's developments the expectation shifted from understanding policy to producing operational proof — that decisions were timely, clinically reviewed, properly noticed, and defensible.

By **Jessica Turner** | Founder, MOAP

June did not produce one sweeping rule. It produced convergence: MCPAR plan-level PA reporting began, Washington's AI provisions went live, MACPAC formalized its automation recommendations, Massachusetts eliminated PA for broad categories, and an OIG audit found none of 100 sampled behavioral-health denials fully compliant.

Each finding reinforces the same trajectory: oversight is becoming evidence-centered rather than policy-centered. The challenge is no longer understanding the requirements — it is producing reliable, dated, traceable proof that decisions were timely, human-reviewed, properly noticed, accurately reported, and operationally transferable.



Graphic: MOAP — The PA Evidence Chain

OPERATIONAL INTELLIGENCE SIGNAL

June's dominant operational capability is **defensible authorization and adverse-determination evidence**. Every major signal — MCPAR data, automation-review records, notice adequacy, cross-plan authorization history, and appeal documentation — points to one requirement: proof. Organizations are no longer judged only on whether they make PA and appeal decisions, but on whether they can prove those decisions were timely, human-reviewed, properly noticed, and defensible. The burden is shifting from policy compliance to evidence readiness — leaders should prepare to produce reliable, dated, traceable proof at the point of oversight, not after a final rule forces it.

A NOTE FROM JESSICA

June wasn't about one headline rule. The operational center of gravity moved toward **defensibility** — leaders are being asked to prove more.

This month's developments suggest the questions worth asking inside your own organization are:

- Can you prove the decision was timely?
- Can you prove a qualified human reviewed the denial?
- Can you prove the member's notice was adequate and delivered?
- Can you prove your reported data match what your systems did?
- Can you prove an authorization can follow the member?

The risk isn't that organizations don't understand the policy direction. It's that their workflows, data pipelines, templates, and records can't yet support the proof now being expected.

The next operational advantage is evidence readiness.

Jessica

Jessica Turner
Founder, MOAP

INTELLIGENCE BRIEF

Inside OIG's Medicaid Denial Audit: "Zero for 100"

WHAT HAPPENED

An HHS OIG audit of a Medicaid behavioral-health plan found none of 100 sampled denied requests met all requirements — notices reached wrong addresses, used unclear language, and omitted the enrollee's right to request records free of charge. It is the first behavioral-health entry in OIG's denial series.

WHY IT MATTERS

It reframes the denial notice from a clerical byproduct into an auditable control. Paired with MACPAC's now-formal human-review recommendations, the bar is no longer a timely decision — it is a defensible, documented one.

OPERATIONAL RISK

Missing notice copies, delivery proof, record-access language, and reviewer sign-offs surface in audit, appeal, or state review — and the notice step is usually unowned until a complaint exposes it.

QUESTIONS LEADERS SHOULD BE ASKING

Could you pull ten recent denials and prove each notice met every requirement — and who owns the denial-to-notice-to-appeal handoff end to end?

> *"A timely decision and a defensible one are no longer the same thing. The exposure now is the denial you can't prove you reviewed, documented, and delivered correctly."*
>
> — **JESSICA TURNER**, FOUNDER, MOAP

INTELLIGENCE QUESTION OF THE MONTH

Can we defend our PA and appeal performance externally with the same confidence we report it internally — producing proof of human review, notice adequacy, automation oversight, and timeliness on demand?

WHAT CHANGED THIS MONTH

1 MACPAC Recommendations Now Formal
COMMISSION RECOMMENDATION

The June 15 Report to Congress makes four automation recommendations official: a qualified human must authorize every adverse determination, with managed-care guidance and parallel FFS rulemaking to follow.

2 OIG: Zero of 100 Denials Compliant
INDUSTRY DATA

An OIG audit of a Medicaid behavioral-health plan found none of 100 sampled denials fully met requirements — wrong addresses, unclear notices, missing record-access rights. First behavioral-health entry in OIG's denial series.

3 Drug PA Enters Final-Rule Phase
PROPOSED RULE

CMS-0062-P moved into its final-rule phase, keeping a proposed October 1, 2027 compliance date and a 24-hour outpatient-drug decision clock in play for pharmacy utilization management.

4 MCPAR Plan-Level PA Reporting Begins
REPORTING REQUIREMENT

June MCPAR submissions require plan-level PA volumes, approval and denial rates, appeal-overturn rates, and decision times — making PA performance comparable and visible. The expected CMS appeals & grievance dashboard points the same way.

5 Massachusetts Subtract-PA Model
STATE ACTIVITY

Massachusetts eliminated PA for broad service categories (eff. June 5) while requiring 24-hour urgent responses, continuity for stable chronic conditions, and 90-day honoring of authorizations after plan switches. Washington's AI provisions also went live.

PAYER CORNER

What This Means for Payers

- ✔ Prove qualified-clinician review and authorization of every adverse determination.
- ✔ Run a denial-notice adequacy self-audit — content, address, delivery, record-access language.
- ✔ Reconcile MCPAR plan-level PA data against what operational systems actually did.
- ✔ Assemble the automation-disclosure file — and include FFS, not just managed care.
- ✔ Lock an October 1, 2027 drug-PA plan around the 24-hour decision clock.

Clarity today reduces risk tomorrow.

PROVIDER CORNER

What This Means for Providers

- ✔ Retain denial notices and exercise the enrollee's right to the full denial record at no charge.
- ✔ Build appeal-ready packets for high-denial lines — especially behavioral health and pediatrics.
- ✔ Use specific, structured denial reasons to strengthen appeals.
- ✔ Track continuity protections (MA 90-day honoring; WV alternative treatment) when escalating.
- ✔ Cite MACPAC's human-review recommendation when contesting automated denials.

Provider engagement helps shape practical, workable policy.

EXECUTIVE RISK RADAR

Reporting Integrity	HIGH
Automation Governance	HIGH
Notice Adequacy	HIGH
Drug PA Readiness	HIGH
Continuity / Portability	MODERATE
Vendor Oversight	MODERATE

> ***"The decision is no longer enough. Medicaid organizations must be able to prove how the decision was made."***
>
> — JESSICA TURNER, FOUNDER, MOAP

Monthly Readiness Index — ***Readiness pressure — how prepared to respond, distinct from risk***

Evidence File & Documentation	HIGH
Automation Governance	HIGH
Drug PA Readiness	MODERATE
Interoperability Readiness	EMERGING
Notice Adequacy	HIGH
Reporting Integrity (MCPAR)	HIGH
Continuity / Portability	MODERATE

MOAP READINESS SPOTLIGHT

What Belongs in a Defensible Denial File

This month's spotlight • Show your work

This month's OIG finding makes the denial file an auditable control. A defensible file should hold, per adverse determination: medical-necessity rationale and denial reason, qualified-clinician sign-off, the timeliness log, the notice copy with delivery and address proof, record-access and appeal-rights language, and automation-oversight evidence — held to the same standard across delegated vendors.

WHY THIS MATTERS

A denial you cannot evidence is exposure waiting for an audit, appeal, or state review. The operational issue is rarely policy knowledge — it is fragmented workflows and unowned handoffs that leave the file incomplete until someone asks for it.

READINESS QUESTION

Could your team produce, within a day, a complete evidence file for any denial issued last quarter — notice copy, delivery proof, record-access language, and reviewer sign-off?

Building clarity, consistency, and confidence—together.

NUMBERS THAT MATTER

0 of 100
Sampled behavioral-health denials fully compliant — notice audits can expose systemic failure

24 Hours
Proposed outpatient drug-PA decision clock — pharmacy UM needs readiness modeling

90 Days
Massachusetts cross-plan authorization honoring — history must be findable and trusted

June 2026
MCPAR plan-level PA reporting launch — PA transparency is now operational

TOP 5 ITEMS TO WATCH THIS MONTH

1. **CMS response to MACPAC automation recommendations.** Watch for guidance or FFS rulemaking that converts the human-review principle into binding requirements.
2. **CMS-0062-P final-rule signals.** The drug-PA rule is in its final-rule phase; track the timeline toward the proposed October 1, 2027 compliance date and 24-hour clock.
3. **MCPAR data-quality feedback or FAQs.** Reconcile plan-level volumes, overturn rates, and decision times against operations as the first reporting cycle is reviewed.
4. **CMS appeals & grievance dashboard confirmation.** Confirm go-live and scope; assume appeals timeliness and overturn outcomes become oversight intelligence.
5. **Additional OIG Medicaid MCO denial audits.** After the zero-for-100 behavioral-health finding, expect the denial-compliance series to widen — run a notice-adequacy self-audit now.

STATE SPOTLIGHT · MASSACHUSETTS

KEY CHANGES · DOI REGULATIONS (EFFECTIVE JUNE 5, 2026)

- ✔ **PA Eliminated for Routine & Essential Care**
- ✔ **24-Hour Urgent-Request Response**
- ✔ **90-Day Cross-Plan Authorization Honoring**
- ✔ **Continuous Chronic-Condition Approvals**

Operational Question: *If a new member arrived tomorrow with an active authorization from another plan, could your system honor it for 90 days — or would it make them start over?*

WHY THIS STATE MATTERS NATIONALLY

It represents a different reform model — subtract PA where possible, preserve continuity where needed, and require public PA-rule visibility. It redesigns the authorization burden itself, previewing the authorization-portability requirement arriving via the 2027 Payer-to-Payer API.

OPERATIONAL LESSONS

- → Reconfigure UM rules engines to stop requiring PA for mandated categories.
- → Build 90-day cross-plan honoring with reliable authorization-history lookup.
- → Stand up continuous chronic-condition authorization logic.
- → Re-baseline UM and appeals forecasts as volume redistributes.

OPERATIONAL OUTLOOK

30-DAY
MCPAR data-quality questions, CMS dashboard status, and OIG denial-audit attention remain active.

90-DAY
Automation-disclosure readiness and notice adequacy likely surface in state oversight, appeals, and vendor reviews.

12-MONTH
Defensible PA evidence, human-review documentation, and interoperability readiness become executive differentiators.

NEXT ISSUE · AUGUST 2026

EXPECTED TOPICS

- → CMS response to MACPAC recommendations
- → CMS-0062-P final-rule signals
- → MCPAR data-quality feedback
- → Appeals & grievance dashboard confirmation
- → Additional OIG denial audits

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