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Medicare Advantage Organizations Overturned Nearly All Appealed Prior Authorization Denials for Skilled Nursing Facility Admission, Raising Concerns About Initial Denials

Why OIG Did This Review

- [Previous OIG work](#) raised concerns that Medicare Advantage organizations' (MAOs') use of prior authorization can in some cases result in denials and delays in access to needed care for enrollees. MAOs that inappropriately deny care are not delivering the full value that taxpayers pay them to provide.
- OIG identified denials of prior authorization requests for post-acute care after a hospital stay as a particular area of concern. This report highlights new analyses of denial and overturn rates of requests for admission to skilled nursing facilities (SNFs), which provide short-term skilled nursing and/or therapy services to help patients recovering from an illness, injury, or surgery.

What OIG Found



- In June 2024, the 19 MAOs in this review collectively denied 12 percent of requests for SNF admission. MAO denial rates ranged from 23 percent to 0.4 percent.
- Enrollees and their providers appealed 18 percent of SNF denials. When SNF denials were appealed, MAOs overturned 95 percent in favor of the enrollee. The extremely high overturn rate indicates that some enrollees were initially denied medically necessary care and raises concerns about denials that were not appealed.
- The MAO contractor naviHealth processed half of all requests for SNF admission and denied 14 percent of them—a higher denial rate than MAOs that processed requests internally (11 percent) and other contractors (9 percent). MAOs later overturned 97 percent of SNF denials issued by naviHealth when enrollees appealed. This raises concerns about whether contractors are receiving appropriate training and oversight from MAOs. NaviHealth is a subsidiary of the MAO United Health Group, Inc.
- MAOs and their contractors denied requests for SNF-level care from nursing home residents 40 percent of the time, a much higher rate than requests from all other enrollees (11 percent).

What OIG Recommends

To identify and respond to concerning patterns of prior authorization denials, [CMS](#) should regularly collect request-level prior authorization data that include service type and contractor information (see our companion report, OEI-09-24-00330). Further, CMS should: (1) take action to address any breakdowns in the initial reviews of SNF admission requests that are driving the extremely high overturn rate of SNF admission denials, (2) assess reasons for variation in SNF denial rates across MAOs and contractors and take action as appropriate, and (3) assess reasons for the differences in SNF denial rates between nursing homes and non-nursing home residents and take action as warranted. CMS did not explicitly concur or nonconcur with our three recommendations.