

**American Society of Clinical Oncology (ASCO) Position Statement:****The Use of Artificial Intelligence in Prior Authorization****Approved by the ASCO Board of Directors May 29, 2025****INTRODUCTION**

Artificial intelligence (AI) has the potential to revolutionize health care, significantly impacting efficiency and administrative burden. This position statement uses "artificial intelligence" as an umbrella term encompassing algorithms and technologies that leverage computer science and datasets to simulate human intelligence in the context of payer coverage determinations. While AI offers the promise of streamlining prior authorization workflows and reducing administrative overhead, its rapid adoption by payers for claims decisions raises critical concerns regarding transparency, oversight, clinician autonomy, and patient well-being. Prior authorization, a process that can be either paper-based or electronic, requires clinicians and/or patients to secure payer approval for a prescribed procedure, service, or medication *before* it is delivered.<sup>1</sup> Clinician concern about the impact of such practices on quality and timeliness of care is growing.

ASCO represents a global community of over 50,000 physicians and other health care professionals who specialize in cancer treatment, diagnosis, and prevention. ASCO members, as well as countless provider and patient organizations, increasingly cite prior authorization as a significant impediment to patient care. Despite offers from health professionals and patients to collaborate on reforms to prior authorization mandates, these calls have largely gone unheard.<sup>1</sup> For years, ASCO has advocated at the federal and state level for an improved prior authorization process to reduce delays in care that negatively impact patients with cancer and contribute to significant administrative burden. In 2022, ASCO issued a position statement on the use of prior authorization in cancer care.<sup>1</sup> The position statement identifies prior authorization as a large barrier to care for insured patients and advocates for enhanced oversight.<sup>2</sup> Separately, ASCO has issued additional position statements on pharmacy benefit managers (PBMs) and the impact of utilization management, both highlighting prior authorization concerns.<sup>2-3</sup>

In 2024, ASCO issued principles for the responsible use of AI, highlighting the need for a human-centered approach, specifying that AI should not be used as a substitute for sensitive interactions involving

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<sup>1</sup> American Society of Clinical Oncology Position Statement: Prior Authorization. (2022) <https://cdn.bfldr.com/KOIHB2Q3/as/2vpsrm6s863m3q6zmg9p3rcx/2022-Prior-Auth-Position-Statement>

<sup>2</sup> American Society of Clinical Oncology Position Statement: Pharmacy Benefit Managers and Their Impact on Cancer Care. (2018). <https://cdn.bfldr.com/KOIHB2Q3/as/xmqq2b8hgwpkzjb2n4m2v5v/2018-ASCO-PBM-Statement>

<sup>3</sup> American Society of Clinical Oncology Position Statement On the Impact of Utilization Management Policies for Cancer Drug Therapies. (2017) <https://cdn.bfldr.com/KOIHB2Q3/as/f8kzwwt3wxjxk6375shmk7/2020-UM-Update>

clinician-patient decision-making.<sup>4</sup> The principles also highlight increasing payer use of AI tools to automate coverage denials, calling for greater transparency, patient and clinician awareness of use of such AI tools, protection against bias in model design, compliance with legal, regulatory, and ethical requirements, and support in oversight and privacy.<sup>5</sup> The American Medical Association (AMA) has developed separate principles on AI that include concerns with the use of AI in prior authorization processes.<sup>5</sup> The AMA reports that payers are making recommendations based on algorithms “developed using average or “similar patients” pulled from a database.” These payer algorithms rely on generalized, historical data which may perpetuate inappropriate interpretations, incorrect management, or less inclusive coverage.<sup>5</sup>

The current lack of transparency in AI tools has exposed several critical issues. Among these is the proprietary nature of payer algorithms, which operate as “black boxes,” making it difficult for clinicians and patients to understand or challenge their care decisions. AI tools can also directly or indirectly override clinical judgement, impacting patient care. AI tools used by payers can contradict a professional medical opinion and influence automation bias in payer reviewer decisions, raising questions about the appropriate balance between automated efficiency and clinician expertise. The challenge is compounded by the current regulatory environment, which lacks a framework for governing AI and may struggle to keep pace with innovations in the development of AI. There is a pressing need for stronger oversight, particularly in the areas of algorithmic transparency and accountability, regular system audits and performance reviews, protection against medical mismanagement, proper use and protection of patient data, and integration of clinical expertise in system development.

Payer use of AI to support efficient prior authorization programs must include protection of the essential human elements of health care decision-making. Development, deployment, and maintenance of these tools must be carefully managed to ensure they enhance—and do not jeopardize—timely access to evidence based care. This will require ongoing collaboration between payers, clinicians, regulators, and technology developers to create systems that are transparent, unbiased, and focused on the patient.

### **EMERGING CONCERNS AND CURRENT LANDSCAPE**

A 2023 survey of the American Medical Association found that 73% of physicians reported the number of prior authorizations denials had increased somewhat or significantly over the last five years.<sup>6</sup> The survey found that, for patients whose treatments require prior authorization, 94% of physicians reported delays in care, 78% reported that prior authorization sometimes led to abandoned treatments, and 24% said that prior authorization has led to a “serious adverse event” for a patient in their care.<sup>17</sup>

Plan enrollees have initiated class-action lawsuits against insurers over their use of algorithms to restrict or deny access to care.<sup>7</sup> One lawsuit claims an insurance company used an algorithm to deny over 300,00 claims over a two-month period as part of a review process, with reviewers spending an average of 1.2

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<sup>4</sup> American Society of Clinical Oncology *Principles for the Responsible Use of Artificial Intelligence in Oncology*. (2024) <https://cdn.bfldr.com/KOIH2Q3/as/g5jsnp7g2b6m28j67j97smff/2025-ASCO-AI-Principles>

<sup>5</sup> The American Medical Association. Principles for Augmented Intelligence Development, Deployment, and Use. <https://www.ama-assn.org/system/files/ama-ai-principles.pdf>

<sup>6</sup> The American Medical Association. 2023 AMA prior authorization physician survey. <https://www.ama-assn.org/system/files/prior-authorization-survey.pdf>

<sup>7</sup> <https://jamanetwork.com/journals/jama-health-forum/fullarticle/2816204>

seconds on each case.<sup>8</sup> Private corporations also are rolling out AI tools for prior authorization.<sup>9</sup> As insurers continue to deny hundreds of thousands of claims, clinicians are beginning to use AI to speed up the prior authorization appeals process.<sup>10</sup> The reported use of AI in prior authorization raises alarming concerns of faster denials, immediate responses or appeals--and the potential for a prior authorization “arms race.”<sup>10</sup> While government and regulatory agencies have taken positive steps to improve the prior authorization process, it is unclear how they intend to enforce requirements for process improvements when coverage decisions are made using AI.

In 2024, the Health and Human Services Office for Civil Rights (OCR) issued a final rule addressing discrimination in health care which governs the use of AI in patient care decision support tools in certain plans.<sup>11</sup> Within the final rule, OCR set requirements for covered entities that use AI in health care. The rule makes clear that patient care decision support tools includes those used in prior authorization and medical necessity analysis.<sup>11</sup> The final rule also acknowledges the recent surge in academic research highlighting potential harms caused by use of patient care decision support tools and their potential to create gaps in access or quality of care.<sup>11</sup> While OCR considered requiring payers to disclose certain plan information to the public, they declined to do so.<sup>11</sup>

In an April 2023 final rule, the Centers for Medicare and Medicaid Services (CMS) raised concerns about the role of AI in making coverage determinations.<sup>12</sup> Amid litigation against payers’ use of algorithms to automatically deny claims, CMS issued an additional FAQ, clarifying that, while Medicare Advantage Organizations (MAOs) can leverage AI for reviewing internal coverage criteria, it cannot fully delegate the process to AI tools to solely deny care.<sup>13</sup> CMS has issued a separate rule to increase transparency on prior authorization criteria and denials through a prior authorization application program interface.<sup>14</sup> In the final rule, one commenter requested additional data elements be incorporated, including the use of AI in prior authorization.<sup>14</sup> CMS acknowledged this information may be of value to clinicians, but they did not believe the value outweighed additional effort necessary for payers to implement these functionalities.<sup>14</sup>

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<sup>8</sup> [https://litigationtracker.law.georgetown.edu/wp-content/uploads/2023/08/Kisting-Leung\\_20230724\\_COMPLAINT.pdf](https://litigationtracker.law.georgetown.edu/wp-content/uploads/2023/08/Kisting-Leung_20230724_COMPLAINT.pdf)

<sup>9</sup> Modern Healthcare. *Epic Unveils new AI, prior authorization features.* <https://www.modernhealthcare.com/digital-health/epic-judy-faulkner-prior-authorizations-ai-cosmos>

<sup>10</sup> The New York Times. *In Constant Battle With Insurers, Doctors Reach for a Cudgel: AI.* <https://www.nytimes.com/2024/07/10/health/doctors-insurers-artificial-intelligence.html>

<sup>11</sup> Federal Register. *Nondiscrimination in Health Programs and Activities.* <https://www.federalregister.gov/documents/2024/05/06/2024-08711/nondiscrimination-in-health-programs-and-activities>

<sup>12</sup> Centers for Medicare & Medicaid Services. *2024 Medicare Advantage and Part D Final Rule (CMS-4201-F)* <https://www.cms.gov/newsroom/fact-sheets/2024-medicare-advantage-and-part-d-final-rule-cms-4201-f>

<sup>13</sup> Centers for Medicare & Medicaid Services. *Frequently Asked Questions related to Coverage Criteria and Utilization Management Requirements in CMS Final Rule (CMS-4201-F).* <https://www.aha.org/system/files/media/file/2024/02/faqs-related-to-coverage-criteria-and-utilization-management-requirements-in-cms-final-rule-cms-4201-f.pdf>

<sup>14</sup> Centers for Medicare & Medicaid Services. *CMS Interoperability and Prior Authorization Final Rule (CMS-0057-F).* <https://www.federalregister.gov/documents/2024/02/08/2024-00895/medicare-and-medicaid-programs-patient-protection-and-affordable-care-act-advancing-interoperability>

Congress has also raised concerns with MAOs using AI to guide coverage decisions in the prior authorization process.<sup>15</sup> Dozens of lawmakers in Congress have urged CMS to take measures that prohibit the inappropriate use of AI in prior authorization.<sup>16</sup> The U.S. Senate Permanent Subcommittee on Investigations launched an inquiry on the barriers patients enrolled in Medicare Advantage (MA) face in accessing care.<sup>17</sup> The Senate report explored intentional use of AI for automating prior authorization denials to boost profits.<sup>17</sup> The Federal Trade Commission has previously reported on the profit motives of payers and their impact on the access and affordability of prescription drugs.<sup>18-19</sup>

Several states have identified the use of AI in prior authorization as a growing concern in health insurance regulation.<sup>20</sup> California passed a law placing limitations on use of AI by payers, requiring that it be based on the individual patient's medical history and clinical circumstances.<sup>21</sup> Other states have proposed similar bills to place guardrails on using AI for claims determinations.<sup>22-25</sup> State efforts have been supported by The National Association of Insurance Commissioners, which issued a model bulletin on AI to be used to assist insurance regulators in addressing insurance-specific AI applications, emphasizing the importance of accountability, compliance, and transparency, as well as safe, secure, fair, and robust outputs.<sup>26</sup>

## **CONCLUSION**

ASCO has previously acknowledged its concerns regarding the lack of transparency in prior authorization operations and processes, and its impact on patient care. ASCO's principles emphasize the need for clear

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<sup>15</sup> Reps. Nadler, Chu & Sen. Warren Lead Bicameral Letter to CMS Urging Oversight of Artificial Intelligence and Algorithms Used in Medicare Advantage Coverage Decisions.

<https://nadler.house.gov/news/documentsingle.aspx?DocumentID=396200>

<sup>16</sup> Nadler, Chu Lead Colleagues in Urging CMS Increase Oversight of Artificial Intelligence and Algorithms Used to Determine Coverage in Medicare Advantage Plans. [https://chu.house.gov/sites/evo-subsites/chu.house.gov/files/evo-media-document/Final%20Chu-Nadler-](https://chu.house.gov/sites/evo-subsites/chu.house.gov/files/evo-media-document/Final%20Chu-Nadler-Warren%20Letter%20to%20CMS%20to%20Increase%20Oversight%20of%20AI%20in%20Medicare%20Advantage%20Coverage%20Decisions%2006.25.2024.pdf)

[Warren%20Letter%20to%20CMS%20to%20Increase%20Oversight%20of%20AI%20in%20Medicare%20Advantage%20Coverage%20Decisions%2006.25.2024.pdf](https://chu.house.gov/sites/evo-subsites/chu.house.gov/files/evo-media-document/Final%20Chu-Nadler-Warren%20Letter%20to%20CMS%20to%20Increase%20Oversight%20of%20AI%20in%20Medicare%20Advantage%20Coverage%20Decisions%2006.25.2024.pdf)

<sup>17</sup> U.S. Senate Permanent Subcommittee Investigations. *Refusal of Recovery: How Medicare Advantage Insurers Have Denied Patients Access to Post-Acute Care*. October 17, 2024. <https://www.hsgac.senate.gov/wp-content/uploads/2024/10/17-PSI-Majority-Staff-Report-on-Medicare-Advantage.pdf>

<sup>18</sup> Federal Trade Commission. *FTC Releases Interim Staff Report on Prescription Drug Middlemen*. (2024). <https://www.ftc.gov/news-events/news/press-releases/2024/07/ftc-releases-interim-staff-report-prescription-drug-middlemen>

<sup>19</sup> [https://www.ftc.gov/system/files/ftc\\_gov/pdf/PBM-6b-Second-Interim-Staff-Report.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/PBM-6b-Second-Interim-Staff-Report.pdf)

<sup>20</sup> HealthAffairs. AI and Health Insurance Prior Authorization: Regulators Need To Step Up Oversight.

<https://www.healthaffairs.org/content/forefront/ai-and-health-insurance-prior-authorization-regulators-need-step-up-oversight>

<sup>21</sup> California SB-1120 Health care coverage: utilization review.

[https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=202320240SB1120](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202320240SB1120)

<sup>22</sup> Illinois HB2472. <https://ilga.gov/legislation/103/HB/PDF/10300HB2472lv.pdf>

<sup>23</sup> Oklahoma Senate Bill 1975. <https://legiscan.com/OK/text/SB1975/2024>

<sup>24</sup> Oklahoma House Bill 3577. <https://legiscan.com/OK/text/HB3577/2024>

<sup>25</sup> New York Assembly Bill 9149. <https://legiscan.com/NY/text/A09149/2023>

<sup>26</sup> National Association of Insurance Commissioners (NAIC) Principles on Artificial Intelligence (AI).

<https://content.naic.org/sites/default/files/inline-files/NAIC%20Principles%20on%20AI.pdf>

information about how AI tools are developed, how they are deployed, and how they are maintained throughout their life cycle.<sup>4</sup>

To that end, ASCO provides the following recommendations to protect against the potential negative impacts that AI could have on the prior authorization process. If used appropriately, AI can improve access for all patients, alleviate administrative burden, and decrease the negative impacts on patient-centered care:

**ASCO urges federal and state governments to enact legislation mandating oversight of AI tools used in prior authorization practices, including enforcement of governance and compliance policies by the following actions:**

- Establish comprehensive AI regulatory frameworks to monitor and conduct regular audits, evaluation, compliance review, and certification processes.
- Strictly prohibit payers from deploying AI for prior authorization decisions if they do not frequently assess, update, validate, and ensure AI tools are grounded using accurate, objective real-world data.
- Empower regulatory agencies to proactively implement policies that simplify administrative processes and reduce workflow burdens for clinicians by enhancing coverage and payment automation.

**Direct regulatory agencies to establish system requirements for the appropriate use of AI and guarantee rigorous validation of AI tools used in prior authorization by the following mandatory actions:**

- Require payers using AI for prior authorization determinations to identify and cite all evidence used by AI models in reaching their decisions.
- Conduct continuous monitoring of prior authorization decisions by service category to immediately detect payer use of AI tools to disproportionately deny specific types of care.
- Enforce adherence to federal and state privacy laws to protect patient data against unauthorized access or breach.
- Monitor payers for unfair, harmful, or deceptive AI prior authorization practices and impose penalties for non-compliance.

**Require payers to ensure transparency and proper disclosure regarding use of AI in coverage determinations in the following ways:**

- Immediately escalate any denial or limitation derived from use of AI tools for clinician review and consideration.
- Mandate disclosure to patients and clinicians on the use of AI tools, including relevant information about data sources, algorithmic training, reference data, and attributes about individuals in the data sets used for AI tool's decision-making criteria.
- Disseminate public information regarding use of AI in a clear, machine-readable format.
- Institute immediate notification protocols for patients and clinicians when an AI tool may be compromised by changes in data, known as AI drift.

**Payers must require human review and empower patient and clinician rights:**

- Guarantee AI tools facilitate, rather than exclude, human assessment of patients' medical records and mandate documentation confirming clinical peer review of an individual's record.
- Implement robust safeguards against automation bias from human reviewers by mandating detailed clinician peer reviewer documentation and their justification for denials.
- Proactively inform and empower patients and clinicians to challenge or appeal a payer's decision when using AI, with full access to the specific criteria and guidelines used for the coverage determination.

*Questions? Contact [policy@asco.org](mailto:policy@asco.org)*