

WHY THIS MATTERS NOW

AI oversight + interoperability mandates + public reporting requirements are creating the most significant Medicaid PA operational shift in a decade.

Human Oversight, Electronic PA, and Transparency: Medicaid Operations Reach a Turning Point

AI oversight, electronic prior authorization, and transparency requirements are reshaping Medicaid operations.

By **Jessica Turner** | Founder, MOAP

Several developments in May signal a meaningful shift in how Medicaid Prior Authorization and Appeals programs will be governed, measured, and executed moving forward.

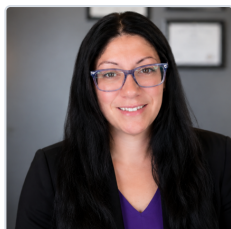
MACPAC's recommendations emphasize human review of adverse medical-necessity determinations. CMS named 29 organizations to its first electronic prior authorization adopter cohort, and CMS-0062-P proposes extending interoperability requirements and denial-reason specificity to drug prior authorization.

These developments point toward a future built on human accountability, electronic workflows, public transparency, and stronger documentation standards. Organizations that prepare now will be best positioned as these reforms continue to mature.



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A NOTE FROM JESSICA



One theme continues to stand out to me as I watch the Medicaid Prior Authorization landscape evolve: **accountability**.

Medicaid organizations are increasingly being asked broader questions:

- How will AI and automation be governed?
- How will electronic PA reshape workflows?
- What metrics should be publicly reported?
- How can organizations improve transparency?
- How do we balance efficiency with clinical judgment?

The organizations that navigate these questions successfully will be those that view compliance, operations, and member experience as interconnected disciplines.

Operational readiness is becoming just as important as regulatory readiness.

Jessica

Jessica Turner
Founder, MOAP

TREND SPOTLIGHT

Human Oversight: No Longer Optional

The direction of travel is becoming increasingly clear. Whether driven by MACPAC recommendations, state legislative activity, or emerging industry expectations, Medicaid organizations are being pushed toward a model where adverse determinations receive documented clinical review and oversight.

Automation can support the process. It cannot replace accountability.

Organizations should begin evaluating denial workflows, governance frameworks, reviewer documentation standards, and audit readiness now rather than waiting for future mandates.

“Transparency is becoming just as important as performance. Organizations must be able to explain not only what decisions were made, but how and why.”

— JESSICA TURNER, FOUNDER, MOAP



JESSICA'S QUESTION OF THE MONTH

Where does authorization work wait the longest in your organization — and could you prove it with data today?

WHAT CHANGED THIS MONTH

1 AI Governance Takes Center Stage
MACPAC recommendations emphasize human review and authorization of adverse medical-necessity determinations and greater transparency on automation use.

3 Drug PA Reform Advances
CMS-0062-P proposes extending electronic PA, denial-reason, and interoperability standards to drug prior authorization programs.

5 State Legislative Activity Continues
States keep advancing reforms on PA timeframes, continuity-of-care protections, peer-to-peer review, and appeals.

2 Electronic PA Momentum Builds
CMS named an initial cohort of organizations adopting electronic prior authorization ahead of the 2027 interoperability deadlines.

4 Public Reporting Expands
Transparency requirements and public reporting of PA metrics continue moving toward becoming standard expectations.

PAYER CORNER

What This Means for Payers

- ✓ Document clinician review and authorization of adverse determinations.
- ✓ Accelerate API and interoperability readiness.
- ✓ Strengthen public PA metric reporting capabilities.
- ✓ Build AI governance, validation, and oversight frameworks.
- ✓ Improve denial-reason specificity and documentation quality.

Clarity today reduces risk tomorrow.

EXECUTIVE RISK RADAR

AI Governance		HIGH
Electronic PA		HIGH
Interoperability		HIGH
Public Reporting		MEDIUM
Appeals Oversight		MEDIUM
State Reform Activity		MEDIUM

PROVIDER CORNER

What This Means for Providers

- ✓ Prepare for increased adoption of electronic PA workflows.
- ✓ Understand evolving documentation expectations.
- ✓ Use more specific denial reasons to strengthen appeals.
- ✓ Monitor state-level reforms affecting authorization processes.
- ✓ Participate in comment and rulemaking opportunities when appropriate.

Provider engagement helps shape practical, workable policy.

“Operational readiness is becoming just as important as regulatory compliance.”

— JESSICA TURNER, FOUNDER, MOAP

MOAP READINESS SPOTLIGHT

AI Governance Readiness *This month's spotlight • Show your work*

MACPAC's recommendations make human accountability and automation disclosure one of the defining Medicaid operational readiness questions. MOAP helps organizations stand up AI governance — documenting qualified human review of every adverse determination, model validation and bias evaluation for Medicaid populations, and disclosure-ready oversight of automated tools.



READINESS QUESTION

Could your organization demonstrate qualified clinician review for every adverse determination issued in the last 90 days?

Building clarity, consistency, and confidence—together.

NUMBERS THAT MATTER

130+

PA bills introduced across ~42 states in 2026

29

Organizations in CMS's first electronic-PA cohort

**Jan 1
2027**

CMS-0057-F interoperability API deadline

**Oct 1
2027**

Proposed CMS-0062-P compliance date

TOP 5 ITEMS TO WATCH THIS MONTH

- 1 CMS-0062-P comment deadline (mid-June 2026).** Submit strategic comments now and stand up an October 1, 2027 drug PA readiness plan.
- 2 MACPAC June 2026 report publication.** Watch for the formal AI-oversight recommendations and any CMS or Congressional response.
- 3 CMS-0057-F API implementation toward January 1, 2027.** Track FHIR PAS/CRD/DTR build status and any sub-regulatory guidance.
- 4 Expansion of public PA metric reporting.** Prepare for numeric counts and drug PA metrics becoming public and benchmarkable.
- 5 Continued state legislative and regulatory activity.** Monitor timeframe, duration, peer-to-peer, and AI-guardrail bills across active sessions.

STATE SPOTLIGHT · VIRGINIA

KEY CHANGES · HB736 (SIGNED APRIL 6, 2026)

✓ **6-Month Initial Approvals**

✓ **12-Month Continuation Approvals**

✓ **Peer-to-Peer Appeals Review**

✓ **PA Transparency Requirements**

Operational Question: *Could your current workflow support mandatory peer-to-peer review without increasing appeal turnaround times?*

NEXT ISSUE · JULY 2026

EXPECTED TOPICS

- CMS-0062-P developments
- AI governance activity
- Electronic PA implementation
- State reform activity

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