cohere HEALTH

FROM OBSTACLE TO OPPORTUNITY:

How Humana Transformed Prior Authorization to Improve Care & Collaboration

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TRANSFORMING PRIOR AUTHORIZATION TO IMPROVE CARE AND COLLABORATION

In January 2018, America's Health Insurance Plans (AHIP) and the BlueCross BlueShield Association, along with provider trade groups, issued a Consensus Statement on Improving the Prior Authorization Process that called for reforms to reduce payer and provider administrative burden and improve patient care. However, the **2024 AMA Prior Authorization Physician Survey**[1] found that little progress has been made. The report highlights that **94% of physicians believe the prior authorization (PA) process negatively impacts clinical outcomes,** and **89% say it significantly contributes to physician burnout.**

With healthcare costs continuing to rise and the demand for high-quality, value-based care growing, the inefficiencies of traditional PA processes are increasingly unsustainable. Providers still face administrative fatigue, while health plans contend with the high costs of manual PA management. At the same time, PA remains essential for reducing inappropriate care variance and ensuring patient safety. The challenge is no longer just about streamlining PA—**it's about transforming it into a strategic enabler of better patient outcomes.**

Humana, a leading health and well-being company based in Louisville, KY, recognized the urgency of this shift. Rather than viewing PA solely as a compliance requirement, Humana saw an opportunity to reimagine the process as a driver of collaboration and proactive care. The question they posed was simple yet transformative: *If we need to improve PA, why not leverage it as a catalyst for better coordination between health plans, providers, and patients?*

In January 2021, Humana partnered with **Cohere Health,** to bring this vision to life. Together, they set out to not only reduce administrative burden but also transform PA into a seamless, intelligent, and value-driven process—one that enhances provider experience, optimizes patient care pathways, and strengthens payer-provider collaboration for a more efficient and effective healthcare ecosystem.

Since then, the implementation has successfully expanded to all **50 states,** covering over **5.1 million members** across Medicare Advantage and Commercial plans. The solution has achieved **95% provider portal adoption,** simplifying workflows and reducing administrative burden. This rapid and widespread adoption highlights the efficiency and usability of the platform, ensuring a smoother experience for providers while improving care coordination.

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THE CHALLENGES OF THE CURRENT PA PROCESS

Physicians, health plans and patients have differing ideas about the role of PA in health care. But they agree on one thing for sure: **there is significant room for improvement.**

The traditional prior authorization (PA) process creates significant friction between providers and payers. It remains heavily manual, siloed, and transactional—driving unnecessary administrative burden, costs, and delays in care. Providers often lack clarity on what services require PA or what specific information is needed, leading to repeated requests for missing data. This back-and-forth not only wastes time but also frustrates providers and disrupts patient care.

A major pain point is the lack of transparency in the evidence-based criteria used to evaluate PA requests. Providers are left uncertain about whether their submissions meet medical appropriateness standards, increasing the likelihood of denials and delays. This erodes trust between payers and providers, making it more difficult to foster collaboration—an essential component for advancing innovations like value-based care (VBC). Without a strong, cooperative relationship, efforts to improve care quality and efficiency are stifled.

Health plans look at PA from a population health perspective. Clinical variation and overtreatment drive unnecessary, wasted medical services, and can put patients at risk. If even a small portion of care is unnecessary, translated over tens of thousands or even millions of patients, the potential harm to patients and wasted medical expenditure can be significant. But in most PA processes, opportunities to drive better care for the whole patient episode, or care journey, are lost. Current PA processes include only information related to the specific service while ignoring data built from previous activity for that same patient. Without a complete patient perspective, how can a health plan distinguish between appropriate and inappropriate variation from standards? **As a result, the process drives imperfect decisions and misses opportunities for greater positive clinical impact.**

Of course, not all clinical variation is bad. Patients aren't all the same and physicians may have excellent reasons to choose a different pathway for their patient based on the full context of their life or health.

The primary levers of PA to-date – approve or deny – do not ensure patients will get the care they need. In the current system, the only recourse to a denial is an appeal – which will lead to delay – and maybe another denial. Patients can suffer while their journey to better health is on hold. Meanwhile, the health plan is expending massive amounts of time, attention and resources on cases that could otherwise be avoided altogether.

To truly modernize PA, the industry must move beyond fragmented, one-size-fits-all decision-making. The next-generation PA process should:

Enhance transparency by providing clear, evidence-based criteria upfront to help providers submit accurate requests the first time.

Leverage patient-centered data to make informed decisions based on a complete view of a patient's care journey, rather than isolated service requests.

Shift from a transactional to a collaborative model, where PA becomes an opportunity to guide providers toward high-value care rather than merely acting as a gatekeeper.

Reduce administrative burden through automation, AI-driven decision support, and streamlined workflows that minimize unnecessary delays and rework.

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REIMAGINING PA WITH PATIENTS AT THE CENTER

Humana takes a whole person approach to health care. Their approach is built on the knowledge that good health comes from more than just the procedures delivered by the health care system, and good care manifests in the context of a patient's life and total health picture. **Humana wanted to find a PA solution that would reflect this reality of achieving optimal health outcomes.**

The Humana team imagined a PA process that felt more like a conversation or a collaboration. What if it was an opportunity for better care and coordination between members of the health care team? What if health plans, physicians, and patients got to know each other better and learned from the process?

Humana sought a technology platform that combined machine learning, advanced analytics, and deep clinical expertise to help raise the standard of care for patients while reducing administrative burden and provider/ patient abrasion – **in other words, getting to a better "yes."**

In addition to applying advanced technology, reimagining PA is about reimagining all the elements, says Lisa Stephens, Senior Vice President of Clinical Operations at Humana. "It's about people, process, and technology; we've got to lead this from a systems thinking mindset. Then let's have that thoughtful conversation based on evidence-based criteria." They took a close look at the current system, starting with physician practices. "If we can improve the provider experience and if we can shorten turnaround time," says Stephens, "that will have a positive impact on their patients—our members."

Humana conferred with physicians and other stakeholders to determine what each stakeholder needed to get out of the process. Humana staff actually volunteered to file preauthorization paperwork for a few practices – to walk a mile in their shoes – gaining new insights and empathy for the practices that had to deal with the current process.

The goal was to transform, not eliminate, PA—and in the process, reduce administrative burden, and find new ways to improve quality of care and health outcomes. This included making PA better and activating patient and provider collaboration through technology. **Because of Cohere's complementary approach and innovative platform, Cohere was the natural choice to implement this innovation together with Humana.**

THE SOLUTION: PATHWAYS RATHER THAN TRANSACTIONS

Patient care is about more than authorizing procedures; **it's about putting someone on a pathway to better health.**

Health plans can gain important insights from the PA process that go beyond the procedure at hand, explains Stephens. "We get a lot of rich information during a PA request. So we asked ourselves, how can we augment that information with data from other sources, such as claims, pharmacy activity and predictive models, then leverage more complete health profiles to support patients along their pathways to better health? For example, could we use PA information, combined with other data, to predict the likelihood of readmission and proactively support patients differently when they leave the hospital?"

PA provides opportunities in the patient journey where health plans, physicians, and patients are actively engaged in a conversation about the patient's care. But in the current system, each of the parties is in a different room using a different communication method. A patient who sees an orthopedic surgeon for knee pain may have diabetes or high blood pressure as well—and these conditions may affect their treatment and recovery. And while the patient may ultimately need knee surgery, they may also require MRIs or x-rays and physical therapy. They may need medication and home care or infacility rehab or other care and support.

A provider might have to submit a separate request for each of those services, often to different vendors using a different filing method for each – through an online portal, by fax or by phone – juggling passwords and telephone numbers for each. This just slows the patient journey down without adding to the quality of care or the collaboration between members of the health care team.

The Cohere solution transforms prior authorization into a seamless, transparent, and patient-centered process by fostering real-time collaboration between providers and payers. Instead of the traditional, fragmented exchange of piecemeal information—where each request triggers another round of clarifications—the Cohere platform proactively gathers all necessary clinical data upfront. By leveraging intelligent automation and integrating directly with electronic medical records (EMRs), the platform ensures that the required information is readily available from the outset.

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While each patient is unique, their pathways are often similar based on certain criteria. An experienced physician has a good idea what a 50-year-old with high blood pressure or an 80-yearold in good health might need in terms of physical therapy and medication before and after a hip replacement. They even have their own preferred providers for those services. By asking physicians to lay out the projected clinical pathway for a patient, the Cohere system can compare that to accepted clinical standards and approve multiple services and procedures at once. Has the patient tried physical therapy yet? What is the optimal number of sessions to start with? Could the patient's back pain be related to their uncontrolled diabetes? Would a patient facing knee surgery recover faster if they first quit smoking in a smoking cessation program?

In the case of treatment for musculoskeletal conditions, the Cohere authorization process is built on evidence-based guidelines established by the American Association of Orthopedic Surgeons (AAOS). As providers enter the requested information about the patient, their condition, and the prescribed treatment plan, the platform can ask for additional detail, make alternate suggestions, and provide transparency about the approval process. If a physician asks for 24 physical therapy sessions when the standard of care includes 12, the system will let them know that it can approve 12 sessions instantly, while 24 will require a few days for a manual review. **These automatically generated recommendations not only help reduce overtreatment, they also help practices get the approvals they need to start on patient care as quickly as possible.**

Another example of how Cohere's solution goes beyond the authorization transaction to promote optimal care concerns post-acute care discharge planning. For certain spinal fusion surgeries, the surgeon indicates a preference for post-acute care directly in the authorization workflow for 59% of cases[3]. When the preference is to discharge with home health, 95% of patients actually receive home health services. This drives shorter length of stay and more timely start of appropriate post-acute rehab[4].

THE ROLLOUT: EARLY SUCCESS AND ONGOING IMPACT OF HUMANA AND COHERE HEALTH'S PARTNERSHIP

In January of 2021, Cohere rolled out its platform in 12 states for Humana members with musculoskeletal (MSK) conditions. Forced by the pandemic to introduce it to practices by phone and video conference rather than in-person training, Cohere staff worried about convincing providers to try the new system.

It turned out to be a pretty easy sell. Providers responded swiftly and positively to the concept; many started training the same day as they signed up for the pilot project. Cohere supported practices through the transition to the new portal in several ways. In addition to providing live training for staff, Cohere offered online tutorials, telephone-based support, and built in a feedback loop so that providers could easily ask questions and get assistance using the system. Constantly analyzing data on submissions and feedback from providers, they tweaked their training and adjusted the platform to ensure it integrated easily into the workflow.

Within a month, more than 90% of PA requests for MSK procedures were coming in via Cohere's digital online portal, thirty percentage points higher than aggressive goals set by Humana.

The current adoption rate of 95% and growing is a testimony to the simplicity and elegance of the solution[2]. Evidence-based, instant determinations, along with ease of use and smooth integration into practice workflow, providers have seen a 54% reduction in nurse review hours, allowing clinical staff to focus more on patient care[5]. Providers have reported high satisfaction with Cohere's platform, with 94% indicating they are "satisfied" or "very satisfied[5]."

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The system of automatically generated recommendations and feedback results in instant determination of "yes" or "pend" 89% of the time[2]. This all translates to faster delivery of safe, effective care – patients now get scheduled care five days faster than in the prior process. And this approach opens the way for a deeper clinical conversation that digs into the underlying causes of a patient's conditions and puts patients on the road to better overall health.

The transparency in the system allows practices to anticipate what information the platform will need to come to an instant decision, which means that the next request may go even faster. Meanwhile, the system is learning too: Using machine learning, the system learns practice patterns and recognizes practices with an established track record of high value care, anticipating the physician's treatment plan, and speeding up requests when possible.

And, because the system is based on pathways, not procedures, health plans get a bigger picture of the whole patient—finally allowing them to look out the windshield and help their members on their way to better health.

Surveys of physicians included responses with words and phrases such as "awesome," "like Star Trek," "best authorization site I have used," "makes my life so much easier," and even "like cheesecake."

That's high praise coming from practices that are typically more accustomed to complaints about long wait times and administrative hassles. Several users have shared that they can now enter information into the Cohere system while on hold, waiting to follow up on an authorization request with another health plan. This added layer of efficiency not only maximizes productivity during otherwise wasted time, but also highlights the inefficiencies of traditional, procedure-based authorization processes. **The seamless experience with Cohere underscores how modernizing PA can significantly reduce friction, saving time and improving workflow for providers.**

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When looking at indicators of care quality, the complication rate after total hip and knee replacements decreased when under management by Cohere compared to previous years, with 16% of inpatient arthroplasty shifting to more appropriate outpatient settings. In addition to improving outcomes, this saves costs related to facility fees and ancillary charges that would have been triggered during the patient's encounter. Those costs typically are 2-4 times more than the triggering procedures[7].

Another example of quality impact is a shift from surgery to therapy, recognizing that in some cases, the medical evidence suggests physical therapy before surgery. The Cohere platform suggests therapy use prior to certain surgeries, when previous authorizations and claims data indicates therapy has not yet been attempted. The platform also enables the provider to order additional therapy in the same session. Up to 80% of surgery that meet these criteria are guided toward therapy, reducing 32% of medically unnecessary surgeries[8].

In addition to the significant benefits for patients and providers, Cohere's platform has delivered substantial reductions in Humana's administrative burden and unnecessary medical expense, while also improving care quality. Overall, the Cohere solution has achieved 15% greater savings than the previous program[9].

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NEXT STEPS

Working together, **Cohere** and **Humana** are committed to continuing the evaluation of the impact of Cohere's solution, with a deeper focus on its effects across multiple dimensions: **reducing administrative burden, enhancing access to care, improving quality of care, and driving long-term patient outcomes.**

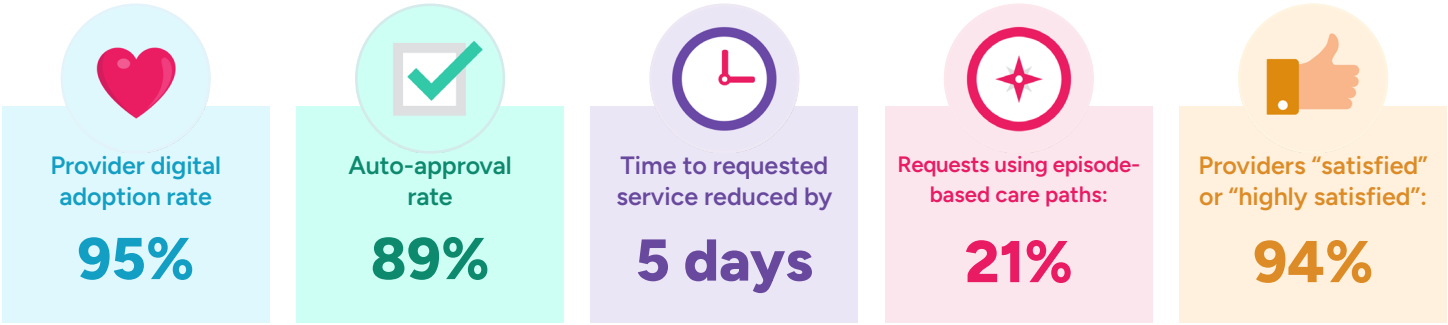
Additionally, we are examining broader healthcare cost implications. Are patients not only returning to their activities of daily living but also re-engaging in the activities they enjoy, such as hobbies, sports, and social activities?

Looking ahead, Humana and Cohere will also collaborate closely with physician practices to gather more insights on how the platform is influencing care delivery. This ongoing feedback loop will help identify areas for continued innovation and improvement, ensuring that we stay aligned with the evolving needs of both providers and patients.

Humana and Cohere are already exploring opportunities to **deepen** and **expand** their partnership. In particular, they are looking to bring primary care providers into the fold, enabling more holistic, coordinated care for patients with coexisting conditions. This approach aims to address complex challenges such as reducing readmissions and tackling the social determinants of health that influence patient outcomes.

The issue of prior authorization (PA) is a pervasive one across the healthcare industry, affecting providers, patients, and health plans alike. However, while many see only obstacles, **Cohere has enabled Humana to turn these challenges into opportunities—transforming the healthcare experience for both members and providers.** Through this partnership, they have not only streamlined processes but have also improved overall care delivery, positioning Humana to lead the way in **driving meaningful, patient-centered change.**

BY THE NUMBERS



Quality measures:

- Shift of IP to OP setting (cardio): **9%**
- Authorizations using a care path: **42%**

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ABOUT COHERE

Cohere Health is a clinical intelligence company delivering AI-powered intelligent prior authorization solutions, which streamlines patients' access to quality care by aligning their physicians and health plans for improved collaboration, transparency, and care coordination. Cohere works with nearly 600,000 providers and processes more than 12 million prior authorization requests annually, using AI to auto-approve up to 90% of requests for millions of health plan members around the country. The company was recognized twice in the Gartner™ Hype Cycle™ for U.S. Healthcare Payers, is a Top 5 LinkedIn™ Startup for 2023 & 2024, and is a three-time KLAS Points of Light award recipient. Its investors include Deerfield Management, Define Ventures, Flare Capital Partners, Longitude Capital, and Polaris Partners.

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3 Cohere Analysis of Humana PA Records Q1-Q3 2021, November, 2021.

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6 Based on Cohere Health data as of Q4 2023.

7 Humana CQIC Executive Summary, September, 2021.

8 Cohere Analysis of Humana Prior Authorization Records Q4 2022.

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