CLIENT ALERTS & INSIGHTS

CMS Announces "WISeR" Model: New Prior Authorization Pilot Targeting "High-Risk" Medicare Part B Services

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Key Takeaways

- CMS is launching a six-year pilot of the WISeR Model, starting January 2026 in Arizona, New Jersey, Ohio, Oklahoma, Texas and Washington, which will use AI and human review to expand prior authorization requirements for certain "high-risk" Medicare Part B offerings such as skin substitutes and related wound care services.
- This marks a major shift toward algorithm-driven oversight in Medicare, increasing the risk of claim denials, administrative burden and potential delays in patient care for providers. CMS's reliance on AI, coupled with the financial incentives to generate savings and reduce spending, may also indirectly pressure providers to submit fewer claims and impact care delivery.
- Providers in the six pilot states should begin preparing now by strengthening their medical necessity documentation, training billing staff on updated prior authorization requirements, auditing recent claims and implementing a monitoring plan to track denials and appeals.

Background

On June 27, 2025, the Centers for Medicare & Medicaid Services ("CMS") announced the introduction of the Wasteful and Inappropriate Service Reduction ("WISeR") Model, a six-year Medicare Part B pilot program that will significantly expand prior authorization requirements for certain "high-risk" services, including skin substitutes. The program launches January 1, 2026 in Arizona, New Jersey, Ohio, Oklahoma, Texas and Washington, leveraging artificial intelligence ("AI") and machine learning tools alongside human clinical review to identify and deny services CMS deems at risk for overutilization or improper payment. Critically, this marks a departure from Medicare's traditional reluctance to broadly use prior authorization and is a direct call to action for wound care providers, hospital outpatient departments and ambulatory surgery centers in these six pilot states to begin preparations now.

Overview of the WISeR Initiative

The WISeR Model represents a continuation of CMS's broader efforts to use data analytics and prior authorization tools to reduce what it considers wasteful or inappropriate care.

While prior authorization is not new, WISeR differs in both scope and methodology. Earlier demonstrations-such as the DMEPOS Prior Authorization Demonstration for power mobility devices and the Hospital Outpatient Department Services Model, which established prior authorization requirements for blepharoplasty, botulinum toxin and spinal injections-relied on manual review of medical records submitted by providers. Those programs generated mixed provider feedback: CMS reported cost savings while stakeholders highlighted delays in patient care and increased administrative burden.

WISeR takes these prior authorization concepts further by layering AI-enabled triage algorithms on top of traditional manual review. This means that CMS contractors will use machine learning tools to pre-screen claims, flagging services as "high risk" before human reviewers make a final determination. CMS believes this will allow for faster, more consistent identification of improper claims. For providers, however, this represents a new front in Medicare oversight, where even routine services could face additional documentation scrutiny unless they clearly demonstrate medical necessity at the outset.

Notably, CMS has confirmed that no Medicare request will be denied without review by a "qualified human clinician," and vendors are prohibited from compensation arrangements tied to denial rates. However, vendors will still be rewarded for generating savings, a structure that may in effect create financial incentives to limit care.

Key Features of the WISeR Model

- **Scope**: Targets Medicare Part B services flagged as high risk for waste, fraud or abuse. CMS has specifically identified skin substitute products and related wound care services as initial priority categories.
- **Technology Integration**: Review process will combine AI-enabled algorithms with traditional nurse/clinician review before claims are approved.
- **Geographic Rollout**: Initial implementation will begin January 1, 2026, in six states: Arizona, New Jersey, Ohio, Oklahoma, Texas and Washington.
- **Duration**: Six-year pilot will run from January 1, 2026, to December 31, 2031, with the potential for national expansion depending on CMS's findings.
- **Impact**: Providers practicing in participating states will face heightened documentation and compliance requirements and should expect increased claims review times and administrative burden.
- **Exclusions**: Emergency and inpatient-only services that would pose a substantial risk to patient health or life if significantly delayed are not subject to the model.

Implications for Providers

This represents the most significant expansion of Medicare Part B prior authorization protocols to date. While CMS frames the model as an effort to curb wasteful spending, the initiative represents a clear structural shift toward algorithm-driven claims adjudication in Medicare. WISeR risks undermining physician decision-making and delaying necessary care-the model could exacerbate

prior authorization burdens and contribute to avoidable patient harm. Additionally, critics have raised doubts about the extent of "meaningful human review," with some insurers' doctors reportedly spending under 2 seconds on each case according to a 2023 report published by ProPublica.

Providers in the six pilot states-particularly wound care physicians, hospital outpatient departments and ambulatory surgery centers-should expect increased administrative requirements, a higher risk of pre-service authorization delays or claim denials, and closer scrutiny of medical necessity documentation. Although the pilot is initially limited in scope, CMS frequently uses demonstration projects to inform future nationwide policy changes, meaning WISeR could foreshadow broader reforms across Part B services, including AI-driven oversight across service categories.

What Affected Providers Should Do Now

Given these implications and in preparation for the January 2026 implementation, providers located in Arizona, New Jersey, Ohio, Oklahoma, Texas and Washington should:

1. Review documentation protocols, workflows and coverage policies for targeted services (e.g., skin substitute applications) and evaluate whether current EHR templates, prior authorization workflows and staff training are sufficient to meet the new model's requirements. Update to capture the required details accordingly.
2. Train clinical and billing staff on prior authorization requirements and medical necessity documentation standards.
3. Audit recent claims to identify documentation gaps or high-volume Part B services in your practice that may be flagged for prior authorization under WISeR and ensure compliance documentation is robust. As CMS continues to refine AI-driven models, even inadvertent documentation gaps could trigger denials or potential post-payment audits.
4. Develop and implement a compliance monitoring plan to track denials, appeals and audit requests once the program begins.

Conclusion

The WISeR Model represents a pivotal shift in Medicare oversight, combining AI tools with traditional prior authorization processes in a way that will likely redefine how high-risk services are reviewed and reimbursed. Providers should view this not only as a compliance challenge, but also as an opportunity to strengthen documentation, streamline internal processes and get ahead of potential nationwide adoption. CMS insists the model will have "strict oversight" and maintain human clinical decision-making, but whether WISeR enhances efficiency or exacerbates prior authorization's harms remains to be seen. By preparing now, practices can mitigate disruption, reduce the risk of denials and continue to deliver high-quality patient care while meeting CMS's evolving requirements.

Benesch Healthcare+ can assist with readiness planning, including auditing clinical documentation practices, updating prior authorization policies and advising on compliance risks under WISeR.