

# IT'S TIME TO FIX PRIOR AUTHORIZATION



**SD.2231**, An Act relative to reducing administrative burden

**HD.3720**, An Act to improve the health insurance prior authorization process

**Sponsors:** Senator Cindy Friedman and Representative Jon Santiago

## WHAT IS PRIOR AUTHORIZATION?

Health plans routinely require providers to obtain pre-approval, also known as prior authorization (PA), to justify why a recommended treatment is necessary *before* a prescription medication or medical services can be delivered to the patient. PA began as a tool to monitor and control spending on costly or novel treatments but proliferated to apply broadly to many services and treatments, including generic medications. While PA may reduce the amount health insurers are paying on care in the short-term, delaying or denying medically necessary treatment is not an effective long-term solution to reducing costs.



## PRIOR AUTHORIZATION HURTS PATIENTS

A recent [survey](#) by the American Medical Association showed that PA delays care for patients, interfering with treatment and even adversely impacting clinical outcomes.<sup>1</sup> The laborious PA process can be a barrier to lifesaving care for diseases such as cancer, as oncologists are forced to obtain PA for treatments and procedures that are already heavily regulated and meet rigorous evidence-based standards. Furthermore, Communities of Color have [higher rates of chronic disease](#),<sup>2</sup> the treatments for which are often subject to PAs; limiting PAs can improve treatment of chronic diseases and reduce health disparities.



## PRIOR AUTHORIZATION IS COSTLY AND ADMINISTRATIVELY BURDENSOME

Physicians and their staff spend more than 13 hours each week completing PAs.<sup>3</sup> This excessive administrative burden contributes significantly to physician burnout and undermines access to quality care. This is consistent with findings from a soon-to-be released MMS member report on physician well-being, which showed that 55 percent of physicians are experiencing symptoms of burnout, with PA identified as one of the top five stressors. For physician practices, cumulative stressors lead to reduced clinical hours and intentions to leave medicine, which translates to fewer practices offering patients access to care. Consequently, the PA process is closely linked to workforce staffing shortages for both clinicians and their support staff.



<sup>1</sup>2021 *AMA Prior Authorization (PA) Physician Survey*. n.d. American Medical Association. <https://www.ama-assn.org/system/files/prior-authorization-survey.pdf>.

<sup>2</sup>The United States Can Reduce Socioeconomic Disparities by Focusing On ... (n.d.). <https://www.healthaffairs.org/doi/10.1377/forefront.20170817.061561>

<sup>3</sup>2021 *AMA Prior Authorization (PA) Physician Survey*. n.d. American Medical Association. <https://www.ama-assn.org/system/files/prior-authorization-survey.pdf>.



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# THE SOLUTION

To reduce administrative burden and promote access to quality and timely care, **Senator Cindy Friedman** and **Representative Jon Santiago** introduced:



**SD.2231, An Act relative to reducing administrative burden**

**HD.3720, An Act to improve the health insurance prior authorization process**

This legislation proposes **prior authorization reforms that will:**

## > **Improve Access to and Continuity of Care for Patients**

- Prohibits PA for generic medications and medications and treatments that currently have low denial rates, low variation in utilization, or an evidence-base to treat chronic illness
- Requires PA to be valid for the duration of treatment, or at least 1 year
- Requires insurers to honor the patient's PA from another insurer for at least 90 days

## > **Promote Transparency and Fairness in the PA Process**

- Requires public PA data from insurers as it relates to approvals, denials, appeals, wait times, and more
- Requires the Health Policy Commission to issue a report on the impact of PA on patient access to care, administrative burden, and system cost
- Prohibits retrospective denials if care is preauthorized
- Requires carriers to notify affected individuals about any new PA requirements

## > **Improve Timely Access to Care and Administrative Efficiency**

- Establishes a 24-hour response time for urgent care
- Requires insurers to adopt software to facilitate automated electronic processing of PA and the Division of Insurance (DOI) to implement standardized PA forms



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