

Recent Activity on Improving Prior Authorization (PA)

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Impacts Patients & Providers (AMA Survey)

- ▶ 78% of physicians reported PA often or sometimes results in patients abandoning recommended treatment
- ▶ 19% say resulted in a serious adverse event leading to a patient being hospitalized
- ▶ Spend 12 hours completing PA each week
- ▶ Leads to burnout & increased healthcare costs

94%
Of providers say PA
delays patients'
accessing necessary
care.

New Report: The Good, The Bad, The Costly

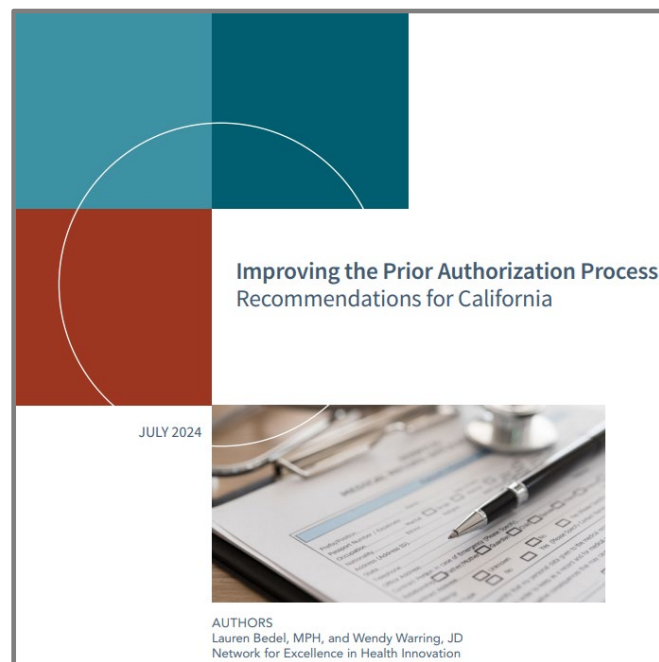
- ▶ **Researchers at Georgetown Center on Health Insurance Reforms examined PA state laws in AR, IL, TX, WA**
- ▶ **Recommendations:**
 - Requiring greater transparency of services subject to PA, clinical review standards, & reasons for denying PA authorization requests;
 - Setting maximum time periods for insurers to respond to PA requests;
 - Standardizing the form & method for exchanging PA requests, decisions, and related information;
 - Establishing expectations for peer-to-peer review of PA requests & use of accepted & transparent clinical review standards.

<https://georgetown.us11.list-manage.com/track/click?u=9fbf2a80844d7b5a6854a365c&id=d9d7c2411e&e=d51b511857>

NEHI report for California Health Care Foundation

► Recommendations:

- Mandate technical requirements to advance adoption of automation.
- Refine public reporting requirements to promote trust and enable dialogue about additional reforms.
- Extend the duration and scope of prior authorization approval for ongoing care.
- Develop transparent principles for the annual review of PA requirements



New York-HIV (S.1001A/A.1619A)



- ▶ **Prevents Insurers from Implementing PA on HIV treatment & prevention drugs**
 - Overcomes barriers to access in effort to end HIV
 - Will promote racial and ethnic equity
 - Insurers oppose, PA is needed to protect patients
 - Signed by Gov. Hochul June 28, 2024
- ▶ **Other States, including CA, already prohibit PA for PrEP.**



Vermont (H. 766)

- ▶ No PA for treatments & services ordered by primary care providers, but allows for Rx and out-of-network services
- ▶ Helps ensure that patients with chronic conditions don't have to continuously seek repeat PAs.
- ▶ Require urgent PA requests are responded to within 24 hours.
- ▶ Requires plans, physicians and providers to report to the legislature on impact of the law

California: PA & AI (SB 1120)



- ▶ Require AI tools be fair & equitably applied, can't discriminate based on present or predicted disability, expected length of life, quality of life or other health conditions.
- ▶ AI tools must be based upon an enrollee's medical history & individual circumstances & not supplant healthcare provider decision-making.
- ▶ Health plans file written policies & procedures w/ state agencies
- ▶ Requirement that licensed physician supervise the use of AI removed from bill
- ▶ **Status:** Passed Senate 37-0; Passed 2 Assembly Cmtes. Unanimously; Pending in Approps. Cmte.

Illinois (Public Act 103-0650)



▶ Healthcare Protection Act (signed July 10, 2024).

Builds on prior Illinois PA laws and includes negotiated language between the Governor's Office, DOI, insurers and provider groups.

- Requires insurers to maintain and publish a complete list of services for which PA is required on their public-facing website (i.e., not requiring credentials or membership to access it).
- Bans “step therapy” - ending the practice of requiring patients to try cheaper, less effective medications before accessing their prescribed treatment.
- Prohibits PA for in-patient mental health hospitalizations for both children and adults.

Minnesota (HF 5247)



- ▶ **A Healthcare Omnibus bill passed this year builds on prior PA laws and includes the following:**
 - Requires that a prior authorization received for a chronic condition does not expire unless the standard of treatment changes.
 - Prohibits all prior authorizations for preventive services, pediatric hospice care and pediatric neonatal abstinence programs.
 - Prohibits prior authorization for non-medication treatments for cancer, outpatient mental health and substance use disorder.
 - While the law continues to allow prior authorization for medications to treat these conditions, it now requires a decision from the insurer within 48 hours, instead of five days.
 - Requires health plans to submit an annual report to the Minnesota Department of Health on how often they use prior authorization and approve or deny services

https://www.revisor.mn.gov/bills/text.php?number=HF5247&type=bill&version=4&session=ls93&session_year=2024&session_number=0

Rhode Island (SB 290Aaa)



- ▶ Law signed on June 22, 2023, required the Office of the Health Insurance Commissioner (OHIC) to convene the Administrative Simplification Task Force to make PA recommendations.
 - In its Final Report (June 28, 2024), OHIC committed to ensuring uniform implementation of a reduction in the volume of PA; collecting data in new ways to measure volume reductions; and creating a new public body convened to serve as a forum for ongoing dialogue between payers and providers to inform process improvements.
 - OHIC also noted in the report that “facts concerning prior authorization burden and the strategies proposed to address them warrant regulatory action.”

Many More States Taking Action

- ▶ **New Hampshire (SB 561)**
 - Establishes clear criteria for prior authorization in managed care health plan
 - Streamlining access to necessary medical treatments.
- ▶ **Plus new or strengthened laws in Colorado, Maine, Maryland, Minnesota, Mississippi, Oklahoma, Virginia, Vermont, and Wyoming**

Federal Changes that Impact State Efforts

- ▶ **Prior Authorization and Interoperability final rule**
 - Impacts MA, Medicaid, CHIP, and QHPs on the federal marketplace
 - Requirements include: specific reason for denial, shortened response times, public reporting, and automation
 - No changes for prescription drugs, but a proposed rule is anticipated (fall)
- ▶ **2024 Medicare Advantage final rule**
 - Numerous meaningful changes that states can borrow from
 - New limits on use of PA, bans retroactive denials, PA approvals as long as medically necessary, grace period with new plans, expert reviewers, and more!
 - Also includes limits on AI for PA determinations

Federal Activities Continued

▶ **FTC Interim Staff Report on PBMs**

- Found PBMs use PA not for medical reasons & “put payers’ financial interests before patients’ best interests”
- Use PA to steer to higher priced drugs & away from generics

Suggested Next Steps

- ▶ **Align state requirements with federal regulations**
 - Adopt continuity of care provisions, prohibit retroactive denials, and increase automation
- ▶ **Take further actions beyond federal floors**
 - Include Rx, shorten response times, increase transparency, public reporting, ensure clinical criteria is part of the determination and includes review by a qualified expert
 - Reduce the volume of PA through data collection and analysis by regulators, or gold-carding programs

Suggested Next Steps

- ▶ **Partner in your state to reform prior authorization**
- ▶ **Consumer Information Subgroup**
 - Modify and utilize the new consumer guide on prior authorization to help educate consumers
- ▶ **Form new B Committee Working Group**
 - Share information
 - Work on implementation, best practices & enforcement
- ▶ **Partner with H Committee on the use of AI in the prior authorization process**
 - Consumer Representative research coming this fall!
- ▶ **Additional B Committee meetings to discuss this topic**

Thank you!

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