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March 19, 2024

The Honorable Susan R. Donovan, Chair
Of the House Health and Human Services Committee
Rhode Island General Assembly
Providence, RI 02903

RE: AHIP Comments on H-7624, An Act Relating to Insurance – Mental Illness and Substance Use Disorders [OPPOSE]

Dear Chair Donovan and Members of the House Health and Human Services Committee,

America's Health Insurance Plans (AHIP) appreciates the opportunity to respectfully express our opposition to H-7624, legislation that would prohibit health insurance plans from requiring preauthorization for in-network mental health or substance use disorder services.

We are aligned with the Committee's commitment to increase access to high-quality, affordable health care for everyone in the Commonwealth. We believe these aims are best achieved when the regulations and policies are not overly restrictive, since we would want to ensure policies do not inadvertently harm patient safety and increase health care costs for all patients.

Prior Authorization

PA is used when there are clinical deviations and is needed to prevent potential negative impacts. An AHIP clinical appropriateness project with Johns Hopkins found that almost 90% of health care providers in the study practice consistent with evidence-based standards of care.¹ When needed, PA is a proven tool to ensure patients get the most up to date evidence-based care. Health insurance providers continue to collaborate with health care providers and other stakeholders to implement innovative solutions to improve the prior authorization process. However, thirty percent of all health care spending in the United States may be unnecessary, and in many cases harmful to patients. Indeed, every year low-value care costs the U.S. health care system \$340 billion. In addition, providers also want to ensure patients are getting proven, high value care. Eighty-seven percent of doctors have reported negative impacts from low-value care.

Prior authorization is critical to ensuring safe, effective, and cost-efficient health care for patients.

Health insurance providers are focused on ensuring that patients get the right care, at the right time, in the right setting, and covered at a cost that patients can afford. Insurers are uniquely positioned to have a holistic view of a patient's health care status and thus use PA as an effective tool that helps to lower a patient's out-of-pocket costs, protects patients from overuse, misuse or unnecessary (or potentially harmful) care, and ensure care is consistent with evidence-based practices before care is delivered.

When providers and plans work together, the patient benefits with better outcomes and less financial burden. Health insurance providers continue to innovate and collaborate with providers and other

¹ *Clinical Appropriateness Measures Collaborative Project*. America's Health Insurance Plans. December 2021. https://www.ahip.org/documents/AHIP_AppropriatenessMeasures_2022.pdf.

stakeholders to implement solutions to promote evidence-based care and improve the prior authorization process. Examples include:

- Streamlining prior authorization for complete courses of treatment for musculoskeletal and other conditions.
- Promoting electronic prior authorization requests and decisions.
- Providing feedback to health care providers on their performance relative to their peers and professional society guidelines.
- Waiving prior authorization for providers with a demonstrated track record in practicing evidence-based care.

PA also promotes the appropriate use of medications and services by helping to confirm that they do not interfere with other types of medications or potentially worsen existing conditions. This includes verifying that medications are not co-prescribed that could have dangerous, even potentially fatal, interactions. Additionally, PA helps to ensure that medications and treatments are safe, effective, and appropriate. Furthermore, it provides guardrails to help ensure that drugs and devices are not used for clinical indications other than those approved by the Food and Drug Administration or those that are supported by medical evidence. And finally, it helps ensure that patients with a newly prescribed medication or course of treatment will receive accompanying services such as counseling, peer support, or community-based support, as appropriate.

The use of PA is based on evidence-based medical criteria developed by nationally recognized entities. One study shows that the amount of medical knowledge *doubles every 73 days*.² And according to another study from the Journal of Internal Medicine, primary care providers would have to practice medicine for nearly 27 hours per day to keep up with the latest guidelines.³ Thus, PA helps providers ensure they are adhering to the most up-to-date evidence-based standards.

Even with these fast-paced innovations, health insurance providers use PA sparingly, with the percentage of covered services, procedures, and treatments requiring PA around less than 15%.⁴ Of that, health insurance providers report that up to 30% of PA requests they receive from clinicians are for unnecessary care that is not supported by medical evidence.

Health insurance providers are committed to working with providers to streamline the prior authorization process.

It is important to note that PA programs are collaborative – health insurance providers use provider input to help ensure treatment plans are protecting patient safety, improving outcomes, and controlling costs. In this spirit, in January 2018, AHIP, together with providers and hospitals, issued a joint consensus statement⁵

Recent surveys show that health insurance providers are waiving or reducing PA requirements, - between 2019 to 2022, the percentage of plans waiving or reducing PA based on participation in risk-based

² Densen, Peter. *Challenges and Opportunities Facing Medical Education*. Transactions of the American Clinical and Climatological Association 2011. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3116346/>.

³ Porter J, Boyd C, Skandari MR, Laiteerapong N. *Revisiting the Time Needed to Provide Adult Primary Care*. Journal of General Internal Medicine. January 2023. <https://pubmed.ncbi.nlm.nih.gov/35776372/>.

⁴ *Prior Authorization: Selectively Used & Evidence-Based: Results of an Industry Survey*. America's Health Insurance Plans. https://www.ahip.org/wp-content/uploads/Prior_Authorization_Survey_Infographic.pdf.

⁵ *Consensus on Improving the Prior Authorization Process*. American Hospital Association, America's Health Insurance Plans, American Medical Association, American Pharmacists Association, Blue Cross Blue Shield Association, and Medical Group Management Association. Available at <https://www.ama-assn.org/sites/ama-assn.org/files/corp/media-browser/public/arc-public/prior-authorization-consensus-statement.pdf>.

contracts increased from 25% to 46% for medical services, from 25% to 46% and from 5% to 8% for prescription medications⁶.

We applaud the promotion of electronic authorization (ePA) per the legislation, but this will only work when providers are also included in this transaction to ensure that the program is as effective and efficient as possible. For instance, even though almost all health insurance providers offer ePA, 60% of PA requests for medical services are still being submitted manually by providers, and over a third of PA requests for medications are submitted manually.⁷

In January 2020, AHIP along with two technology partners and several member insurance providers, launched the Fast Prior Authorization Technology Highway (Fast PATH) initiative to better understand the impact of electronic prior authorization on improving the prior authorization process.⁸ AHIP's Fast Path study shows:

- 60% of experienced users (providers) said electronic prior authorization made it easier to understand if prior authorization was required.
- The median time between submitting a prior authorization request and receiving a decision from the health plan was more than three times faster, falling from 18.7 hours to 5.7 hours in processing time – a 69% reduction.

As plans continue to take additional steps with encouraging ePA, the 2019 CAQH (Council for Affordable Quality Healthcare) Index conducted a study to measure progress in reducing the costs and burden associated with administrative transactions exchanged across the medical and dental industries.⁹ During this study, CAQH found of the \$350 billion dollars spent on healthcare administrative costs in 2019, \$40.6 billion was spent on administrative transactions and the health care market could have saved \$13.3 billion by automating utilization management tools. Therefore, AHIP recommends stakeholders consider exploring available pathways to increase provider adoption of electronic prior authorization technology.

And recently, the Centers for Medicare & Medicaid (CMS) released the Advancing Interoperability and Improving Prior Authorization Processes final rule which requires plans in federal programs to build and maintain three new application programming interfaces (APIs): 1) to enable electronic prior authorization, 2) to share large-scale population health data files with providers for value-based care, and 3) to support coordination of care when a patient moves from one payer to another. Industry and health care stakeholders are in the process of analyzing this nearly 900-page rule. We look forward to having additional discussions through our state partners on this important development.

For these reasons, AHIP opposes H-7624 and urges the Committee not to pass this bill.

Thank you for your consideration of our comments. AHIP and its members stand ready for further discussions on this important topic.

Sincerely,

America's Health Insurance Plans

⁶ *Improving Prior Authorization Processes: How Health Insurance Providers Are Delivering on their Commitments.* America's Health Insurance Plans. https://www.ahip.org/documents/202207-AHIP_1P_Consensus_Statement_Actions-v02.pdf.

⁷ *Id.*

⁸ *Prior Authorization: Helping Patients Receive Safe, Effective, and Appropriate Care.* America's Health Insurance Plans. <https://www.ahip.org/prior-authorization-helping-patients-receive-safe-effective-and-appropriate-care>.

⁹ *2019 CAQH Index.* CAQH. <https://www.caqh.org/news/caqh-2019-index-133-billion-33-percent-healthcare-administrative-spend-can-be-saved-annually>.

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