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## Legislative Impact Statement

To: Representative Donovan, Chair  
From: Elisabeth Hubbard, Executive Secretary  
Re: 25 HOUSE 7539 AN ACT RELATING TO INSURANCE – BENEFIT DETERMINATION AND UTILIZATION REVIEW ACT

Tuesday, March 24, 2026

The Governor's Commission on Disabilities' Legislation Committee has developed a Legislative Impact Statement on the bill listed below. The Commission would be pleased to present testimony to the committee. Please contact me (462-0110) if testimony is desired or for additional information.

Introduced by Representative McGaw

### **Legislation Committee finds this bill Beneficial**

This bill would prohibit health insurance providers from requiring pre-authorization for in-network mental health or substance use disorder services.

Prior authorization is the practice in which a health insurance provider requires that a health care provider and patient seek permission from the patient's insurer to cover recommended treatment before the patient receives the treatment. Until the prior authorization is approved, the insured patient does not know if their insurance will cover the treatment the health care provider is recommending to treat their condition. This results in a delay in treatment while the patient and provider wait to hear from the insurance company. This can be very detrimental to the patient, particularly in acute cases where the patient needs treatment as soon as possible.

In the case of individuals who need mental health treatment, delays caused by prior authorization requirements have a serious impact. According to an article by Psychology Today

A study of individuals living with bipolar disorder who received Medicaid benefits found that prior authorization requirements on medication correlated with discontinuation of medication and decreased engagement with mental health services (Lu et al., 2011). Another study found that individuals with mental health conditions who struggled with accessing medication due to drug coverage were 73% more likely to have an emergency room visit and had a 71% higher number of days spent in inpatient hospitalization (West

et al., 2010). In addition to the clear, quality of life issue, this data regarding high-cost services suggests that contrary to its cost-saving mission, prior authorization of mental health medications or services may ironically increase health costs.

<https://www.psychologytoday.com/us/blog/beyond-mental-health/202401/prior-authorization-a-barrier-to-mental-health-recovery>

There is likewise a similar concern for people who are seeking treatment for substance use disorder. The Legal Action Center states in a summary of a study they conducted on the impact of prior authorization requirements that

Health plans routinely require patients to obtain approval for a prescribed health service or medication as a way to control costs and ensure coverage of appropriate services. These prior authorization requirements impose a unique barrier for individuals seeking substance use disorder (SUD) treatment. They delay the initiation of care at the critical moment at which an individual seeks needed treatment and place the patient at risk of continued substance use, medical complications, overdose and death.

<https://www.lac.org/resource/spotlight-on-legislation-limiting-the-use-of-prior-authorization-for-substance-use-disorder-services-and-medications>

The Legal Action Center also argues that the discriminatory use of prior authorizations may be a violation of the Mental Health Parity and Addiction Equity Act. Rhode Island Law 42-87-1 also prohibits discrimination based on type of disability.

cc: Senator Ujifusa

Rico Vota, Governor's Office of Legislative Affairs