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April 16, 2026

The Honorable Melissa Murray, Chairwoman
Of the Senate Health and Human Services Committee
Rhode Island State House
Providence, RI 02903

RE: AHIP Comments on S 2463, An Act Relating to Insurance – Accident and Sickness Insurance Policies -- OPPOSE

To Chairwoman Murray and Members of the Senate Health and Human Services Committee,

AHIP appreciates the opportunity to provide comments on S 2463, legislation that would prohibit health plans from requiring prior authorization for a new episode of rehabilitative care for twelve visits, or from requiring prior authorization for rehabilitative care for chronic care for ninety days.

While we are committed to continued collaboration with the Committee on solutions that promote health care quality, access, and affordability for Rhode Islanders, we are concerned this bill would undermine these tenets. We respectfully oppose S 2463 and urge the Committee not to move this bill forward.

Prior Authorization Protects Patient Safety. Prior authorization is a proven tool to ensure that patients receive safe, effective, and evidence-based care. It safeguards against unnecessary or inappropriate treatments that could result in harm. For example:

- **Preventing low-value or inappropriate services.** Prior authorization helps prevent unnecessary, potentially harmful, and costly services by ensuring care aligns with evidencebased guidelines and providers' own recommendations.¹
- **Preventing dangerous drug interactions.** Prior authorization helps prevent harmful drug interactions and ensures care is safe, effective, and appropriate for each patient.
- **Ensuring drugs are used as clinically indicated.** Prior authorization ensures medications are used only for FDA-approved clinical indications.

Medical knowledge doubles every 73 days² and, to keep up with these changes, studies show primary care providers would need to practice medicine nearly 27 hours per day.² This is why it is so important that health plans, providers, and hospitals work together to ensure treatments delivered to patients align with nationally recognized, evidence-based clinical criteria, protecting patients from unnecessary, potentially harmful drugs and services.

Prior Authorization Helps Reduce Patients' Health Care Costs. In addition to promoting safe, evidence-based care, PA helps ensure coverage is as affordable as possible. At a time when experts

¹ *Prior Authorization Promotes Evidence-Based Care That Is Safe and Affordable for Patients*. AHIP. November 2023. ² Densen, Peter. *Challenges and Opportunities Facing Medical Education*. Transactions of the American Clinical and Climatological Association 2011.

² Porter J, Boyd C, Skandari MR, Laiteerapong N. *Revisiting the Time Needed to Provide Adult Primary Care*. Journal of General Internal Medicine. January 2023.

agree that roughly a quarter of all medical spending is wasteful or low-value, PA is instrumental in combating rising costs by addressing overuse and low-value treatments that cost the U.S. \$340 billion annually.³ Eighty-seven percent of doctors have reported negative impacts from low-value services or treatments⁴ and an AHIP clinical appropriateness project with John Hopkins found that about 10% of physicians provided services or treatments inconsistent with consensus and evidence-based standards.⁵

By guiding patients to the right care, at the right time, in the right setting, PA reduces wasteful spending and helps ensure health care dollars are used efficiently, while protecting patients from low-value or inappropriate services.

It is important for policymakers to consider how prohibitions on PA like those contained S 2463 could result in higher costs for Rhode Island patients and purchasers of health care. Two recent studies quantify these costs for policymakers:

- A Milliman study found that removing PA could raise premiums by **\$20.10 to \$29.52** per member per month (PMPM) nationwide, totaling \$43–\$63 billion annually in the commercial market, threatening affordability in an already costly system.⁶
- In Massachusetts, a separate study added an examination of the “sentinel effect” of eliminating PA to quantify the costs related to requests for authorizations that were previously unsubmitted when PA was in place because providers did not expect an approval. In that study, the estimated premium increases jumped to \$51.19 to \$130.28 PMPM if PA were eliminated entirely.⁷

Health Plans Are Taking Action to Simplify Prior Authorization. As part of their commitments⁸ to improve prior authorization for patients and providers, health insurance plans have been taking significant steps, including:

- *Making significant investments to promote and support provider electronic prior authorization (ePA) adoption.* Despite health plans offering the capability for ePA, 60% of prior authorization requests for medical services are still submitted manually (via phone, fax, or mail).⁹ ePA has shown that it can streamline requests, shorten decision times and lower administrative burdens on providers and plans alike. Its adoption remains a major opportunity for improving prior authorization.
- *Streamlining PA for full treatment courses.* Health plans have streamlined PA for common conditions like musculoskeletal disorders.
- *Waiving PA for high-performing providers.* Health plans are implementing voluntary programs to waive PA requirements for providers with a demonstrated track record of practicing evidencebased care and for providers participating in risk-based payment contracts.

AHIP Recommendation. Due to the concerns outlined above regarding patient protection and affordability, **AHIP urges the Committee to vote no on S 2463.** We encourage policymakers to collaborate with health plans, providers, and hospitals on solutions that focus on patient safety and affordability. AHIP and its members stand ready to work with you on this important issue.

³ *Low-Value Care.* University of Michigan V-BID Center. February 2022.

⁴ Ganguli, Ishani. *Characteristics of Low-Value Services Identified in US Choosing Wisely Recommendations.* JAMA Internal Medicine. February 1, 2022.

⁵ *Clinical Appropriateness Measures Collaborative Project.* AHIP. December 2021.

⁶ Busch, Fritz S., and Stacey V. Muller. *Potential Impacts on Commercial Costs and Premiums Related to the Elimination of Prior Authorization Requirements.* Milliman. March 30, 2023.

⁷ Busch, Fritz S. and Peter Fielek. *Potential Impacts on Costs and Premiums Related to the Elimination of Prior Authorization Requirements in Massachusetts.* Milliman. November 29, 2023.

⁸ *How Health Insurance Provider Are Delivering on Their Commitments.* AHIP. July 2022.

⁹ *AHIP 2022 Survey on Prior Authorization Practices and Gold Carding Experiences.* AHIP. November 14, 2022.

Sincerely,

A handwritten signature in black ink that reads "Sarah Lynn Geiger". The signature is written in a cursive, flowing style.

Sarah Lynn Geiger, MPA
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cc: Members, Senate Health and Human Services Committee

ABOUT AHIP

AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are **Guiding Greater Health**.