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May 5, 2026

The Honorable Melissa A. Murray, Chair
Senate Health and Human Services Committee
Rhode Island State House
Providence, RI 02903

RE: AHIP Comments on S.2561, An Act Relating to Insurance – Accident and Sickness Insurance Policies – Regulate Health Insurance Prior Authorization Requirements for Rehabilitative and Habilitative Services Act – OPPOSE

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

AHIP appreciates the opportunity to provide comments on: S.2561, legislation that would prohibit health plans from requiring prior authorization (PA) for a new episode of rehabilitative care for twelve visits, or from requiring prior authorization for rehabilitative care for chronic care for ninety days.

We appreciate the Committee's work to advance solutions that promote health care quality, access, and affordability for Rhode Islanders. We are, however, concerned that these bills would undermine these tenets and undermine industry efforts currently underway. We respectfully oppose S.2561and urge the Committee not to move these bills forward.

Prior Authorization Protects Patient Safety. PA is an important safeguard used by both public and private payers to help ensure patients receive care that is safe, evidence-based, and affordable – ultimately ensuring Americas' health care dollars are spent wisely. For example, PA protects patients by:

- ***Preventing low-value or inappropriate services.*** PA ensures patients do not receive services that do not improve outcomes and can lead to more unnecessary treatments or services, potential harms, and avoidable costs. PA can ensure that appropriate alternatives are used, consistent with evidence-based guidelines and providers' own recommendations.[1]
- ***Preventing dangerous drug interactions.*** PA helps prevent dangerous drug interactions and ensures medications and treatments are safe, effective, and appropriate for a patient's specific condition.
- ***Ensuring drugs are used as clinically indicated.*** PA acts as a guardrail to ensure that medications are not used for clinical indications other than those approved by the Food and Drug Administration.

Medical knowledge doubles every 73 days[1] 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.

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[1] 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.

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 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 treatments[4] 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 in S.2561 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]

While PA is utilized very selectively, the experience often reflects fragmentation and outdated processes that hold back the performance of the health care system. This experience can be frustrating for everyone involved – particularly for patients.

Progress on Industry's Voluntary Commitments to Simplify Prior Authorization. Last June, health plans announced a series of multi-year voluntary commitments to streamline, simplify and reduce PA, a critical safeguard that helps ensure their members' care is safe, effective, evidence-based and affordable. Improving the PA experience means patients have faster, more direct access to appropriate treatments and medical services. As providers transition away from phone calls and fax machines, these commitments will also enable a more efficient, transparent and modernized experience.

These commitments are being implemented across insurance markets, including for people with Commercial coverage, Medicare Advantage, and Medicaid managed care, consistent with state and federal regulations. Health plans serving nearly 270 million Americans are participating in this initiative.

On April 7, AHIP and BCBSA shared an update on these voluntary commitments. Since making the commitments, leading health plans **eliminated 11% of PA** across a range of medical services, representing **6.5 million fewer PAs for patients**.

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[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.

This reduction is helping to ease administrative burdens for providers and speed access to evidence based care for patients. Health plans also affirmed improvements that make it easier for members who switch insurance to maintain their PA approvals, known as continuity of care, and enhanced communications on PA determinations.

Looking ahead, participating health plans continue to advance two interrelated and transformational commitments related to standardizing electronic prior authorization (ePA) submissions and expanding real-time responses by January 1, 2027. These two voluntary commitments are a substantial technical and operational undertaking—needing strong partnership with care providers—and will ultimately enable fast, streamlined answers for most PA requests at the point of care, giving providers and patients a faster and more consistent experience.

Health plans' efforts to reduce PAs, improve continuity of care and enhance consumer communications – in addition to the commitments taking effect in 2027 – will lead to a faster, more standardized, and simplified experience for patients and providers. We look forward to sharing these advancements with you.

More details on health plans' voluntary commitments, as well as a 2024 PA survey of AHIP's members, can be found here. AHIP members in Rhode Island are making meaningful changes that will lead to a demonstrated improvement in the provider and member experience. We ask that the committee allow these initiatives to move forward without legislation like S.2561, which could impede health plans' progress.

AHIP Recommendation. Due to the concerns outlined above regarding patient protection and affordability, ***AHIP urges the Committee to vote no on S.2561***. AHIP respectfully asks the Committee to allow the industry's voluntary commitments to move forward without this bill that could impede health plans' progress to ensure successful progress on simplifying PA for patients and providers.

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.

Sincerely,

Sarah Lynn Geiger, MPA
Regional Director, State Affairs

cc: Members, Senate Health and Human Services Committee