

Insurance and Real Estate Committee JOINT FAVORABLE REPORT

Bill No.: HB-6832
AN ACT CONCERNING ELECTRONIC NOTIFICATIONS FOR PRIOR
Title: AUTHORIZATIONS.
Vote Date: 3/14/2023
Vote Action: Joint Favorable
PH Date: 3/9/2023
File No.:

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SPONSORS OF BILL:

The Insurance and Real Estate Committee
Sen. Saud Anwar, 3rd Dist.

REASONS FOR BILL:

Currently, each insurance provider has its own process for conducting prior authorizations. Insurers may require providers to do any combination of the following: send documentation via fax, send documentation via postal mail, send documentation via an online portal, or speak with a staff member over the phone. There is no universal definition of medically necessary care, nor are there controlling standards for clinical review. Insurers are not required to provide their guidelines for evaluating authorizations; there is no way for providers to know when documentation has been received unless they reach out to the insurer directly, and there is no controlling timeframe for a provider to approve or deny a request. This bill would resolve these issues by authorizing the Insurance Commissioner to establish technical standards for electronic filing of requests and clinical documentation; and create standard criteria for clinical review that all carriers would need to abide by.

RESPONSE FROM ADMINISTRATION/AGENCY:

State of Connecticut, Office of the Healthcare Advocate, Healthcare Advocate, Ted Doolittle: supports this bill because the current system of transmission is "an obstacle to necessary care." Requiring electronic transmissions and standardizing the criteria for clinical review will meaningfully reduce administrative costs to providers and insurers alike. In addition to expediting a patient's access to care, this legislation would foster an environment where the "judgment of medical necessity" defaults to "[the doctor] who knows the patient best" instead of the insurance company. Mr. Doolittle believes that insurers can conform to these measures "with minimal cost and burden to themselves and their members."

State of Connecticut, Office of Health Strategy, Executive Director, Diedre Gifford,

MD,MPH: supports this bill because it will "ensure that Connecticut residents have access to timely health care, especially those with mental health or chronic conditions." She is concerned about the competing interests within the healthcare system and discussed how prior authorization can "overly limit necessary care in the name of cost savings."

NATURE AND SOURCES OF SUPPORT:

American College of Physicians, Connecticut Chapter, Co Chair- Health and Public Policy, D. Anthony Yoder, DO, MPH, FACP:

supports this legislation because would clarify the "opaque" requirements and definitions currently guiding prior authorizations. He discusses how patients face "significant delays" because of the "arbitrary and burdensome" administrative workload that providers are subjected to. He referenced a study which found primary care physicians spend an average of "\$2160 to \$3430 [per full time employee per year]" on these tasks. He believes that it is impossible to quantify the "detriment to patient care" and the "damage to the therapeutic relationship" that result from these delays.

Connecticut State Dental Association, Vice President, Allison Baylis, DMD:

supports this legislation because it will help her "provide more efficient and cost-effective patient care." She discusses how insurers regularly take 3 to 12 months to authorize procedures such as the final stage of a root canal. Dr. Baylis noted that "countless" patients have lost teeth while waiting for an authorization because the risk of permanent damage to an unsealed tooth is high. Complications such as these result in unexpected bills and "exceptionally higher" costs to patients, undermining the trustworthiness of providers. Furthermore, Dr. Baylis proposes changing the language of the bill to read "prospective, retroactive, or concurrent" in lines 7, 18, 29, 45, and 52. This would prevent insurers from denying an authorization after treatment was completed and a payment was made.

Connecticut Hospital Association, Government Relations Team:

supports this legislation and believes it would "address the widespread inefficiencies of the prior authorization process." According to the American Hospital Association, these inefficiencies add up to \$15 million in monthly administrative costs and "disregard the value of clinical staff time and resources". CHA also proposes a change to subsection (f)(B)(2) to read "all standards and criteria developed. . ." and similar language changes to ensure the legislation meaningfully addresses both "technical standards" as well as "essential program capabilities."

Connecticut Orthopaedic Society, Vice President, Dr. Dante Brittis:

supports this legislation because it will "provide the critical steps forward" to amend the "abusive prior authorization systems employed by commercial insurers," expedite existing claims, and "allow physicians to provide the most appropriate and timely care to their patients without the interruption of health insurer bureaucracy."

Connecticut State Medical Society, Government Relations Team:

supports this legislation. They believe it to be "crucial" to patient safety because it would "allow for more transparency into the process of clinical decision-making and less variation between plans." The lack of consistency and uniformity between insurers, Medicare, and Medicaid make it "nearly impossible" for a physician to anticipate what documentation will be required to

demonstrate medical necessity. CSMS believes that the current system is an "obstacle to treatment decisions deemed most appropriate by physicians" and its members "almost universally" name prior authorization as their most prominent issue.

NATURE AND SOURCES OF OPPOSITION:

Connecticut Association of Health Plans, Executive Director, Sue Halpin: testified that "it might be advisable for the state to await the rules and regulations being developed at the federal level to avoid duplication and ensure consistency." The Association believes that electronic transmission will "increase efficiency of operations" and result in "a better overall experience" for all parties involved. Its partner organization, AHIP, endorsed similar legislation at the national level. CAHP also commends the bill's application to providers as well as insurers.

Reported by: Sean Chilson

Date: 03/17/2023