Minnesota Medical Association

ISSUE BRIEF

ISSUE

Prohibit prior authorization for critical services (SF 3532, HF 3578)

MMA Position

Legislation is needed to prohibit insurers from requiring prior authorization for critical healthcare services.

Background

When a physician orders treatment for a patient, insurers often require prior authorization before care can be provided. While prior authorization may have a role for services for which the treatment is questionable or where services may be overutilized, the overuse of the process delays needed care, adds to administrative costs, and results in a net cost to population health. Growing prior authorization burdens are also a leading driver of physician burnout.

Why are insurers requiring 75-90% of physicians who are providing the correct care to "jump through the hoops" when the required prior authorizations are ultimately approved (based on the data reported by Minnesota's top five insurers). National data shows that physicians complete on average of 41 prior authorizations per week and that they or their staff spend more than 13 hours a week on getting prior authorization approvals.

While those numbers are shocking, what is worse is the impact prior authorization is having on patient care. 94% of physicians report that prior authorization has led to care delays, 80% report that prior authorization can and has led to treatment abandonment by patients, and 33% report that prior authorization has led to a serious adverse event for their patients, including 19% reporting that it has been a life-threatening event, or one intended to prevent a permanent impairment.

Legislation is needed to limit the use of prior authorization for services that are too important to delay. It must be prohibited for the following:

- Medications to treat a substance use disorder.
- Outpatient mental health and substance use disorder treatment.
- Treatments to fight cancer consistent with national cancer-care guidelines.
- Generic drugs deemed therapeutically equivalent by the FDA.
- Preventive services recommended by the U.S. Preventive Services Task Force.
- Pediatric hospice services and neonatal abstinence programs, and
- Treatments covered through value-based arrangements.

Additionally, the legislation limits the use of prior authorization for chronic conditions to one-time only, and it requires insurers to annually report to the Commerce Department how often they use prior authorization, how often the deny services and how often they approve services. Finally, the legislation directs the Minnesota Commissioner of Commerce to develop a "gold card" program for physicians with prior authorization approval rates above the 70th percentile.

Talking Points

- Current prior authorization requirements can result in patients deferring needed care, which endangers their health.
- Prior authorization is a barrier to patients receiving the care they need.
- Prior authorization is expensive for patients, providers, and insurers, and does not improve patient care.
- Prior authorization hassles are a leading cause of physician burnout.