



Physicians Caring for Texans

## **No Prior Auth. For Mandated Benefits**

**HB 410 by Julie Johnson**

**Physician Testimony by Dr. Debra Patt**

Thank you, Mr. Chairman and committee members, for allowing me to testify today. My name is Dr. Debra Patt, and I am an oncologist here in Austin. I also serve as the Chair of Texas Medical Association's Council on Legislation. Today, I will be testifying on behalf of the TMA and its now more than 55,000 members across the state of Texas in **support** of HB 410.

For those of you who served on this committee last session, I am sure you remember the numerous stories that physicians shared about prior authorization burdens and the negative impact of prior authorization requirements on the health of our patients.

Prior authorization is a cost-saving tool that health insurance companies use.

When a health plan requires prior authorization of a health care service, it requires the physician to submit paperwork (before performing the service) so that the health plan can review the medical necessity and appropriateness of the proposed service.

Then, the health plan's payment is conditioned upon the plan's approval of the prior authorization request.

Prior authorization is often very burdensome and can be a major impediment to optimal patient care. It can cause delays in medically necessary care, which may detrimentally affect patient health and finances.

Excessive prior authorization requirements also create administrative hassles for physicians and consume time that would otherwise be devoted to patient care.

TMA recently did two polls, one of its members and another of the voting population in Texas. The handout you are being provided includes some of these survey results.

Some highlights regarding the negative impact of prior authorizations on patient care and finances are as follows:

- 91% of physicians reported delays in patient care related to prior authorizations.
- 75% of physicians say prior authorization can lead to abandonment of treatment.
- 40% end up paying out of pocket for the care they need do to prior authorization denials.

- 15% go without care and 9% have an adverse effect because of not getting the care they need due to a prior authorization.

Patients and physicians would like to reduce the intrusive effect that prior authorization has on the patient-physician relationship so that the care that truly needs to be provided to keep Texans healthy can be provided in a timely, efficient manner.

HB 410 recognizes the many negative effects of prior authorization requirements and takes the commonsense approach of prohibiting prior authorization requirements with regard to certain services that are part of a plan's mandated benefits under state law.

If by law, a health plan must cover these medical services, it makes little sense to permit health plans to subject these services to their prior authorization process.

For the mandated benefits covered in this bill (including mammography, mastectomy, diabetes management, and prostate cancer screenings), prior authorization would seem to serve little purpose other than delaying medically necessary care or deterring a patient from seeking medically-necessary covered care.

This is why the physicians of Texas support HB 410. All of these are either preventative care or care that allows Texans to live and be productive citizens while saving money on more expensive forms of treatment.

Again, thank you Mr. Chairman and committee members for allowing me to testify today in **support** of HB 410. I appreciate your work to reduce the burdens of prior authorizations on patients and physicians and am happy to answer any questions.

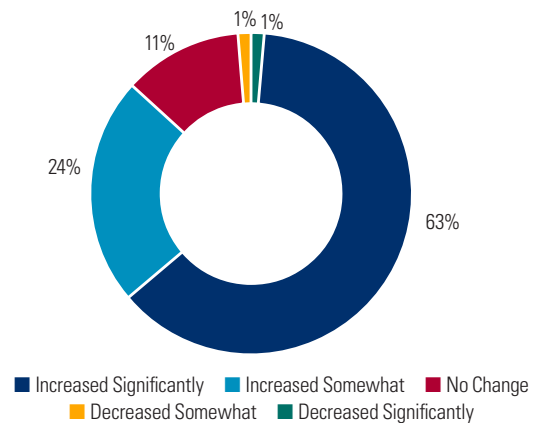
# TMA 2020 PHYSICIAN SURVEY

## BILLING – PRIOR AUTHORIZATION BURDEN

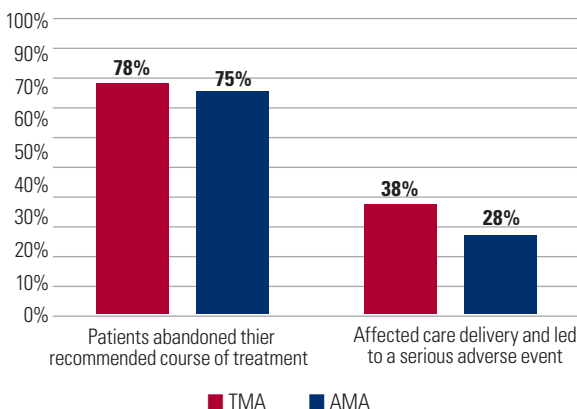
In February 2020, the Texas Medical Association (TMA) emailed a survey regarding billing priorities to 37,151 physicians. After 11 days, 754 physicians responded. Texas physicians who reported they are in active medical practice treating patients (95%) were asked questions about their experience with prior authorization (PA). Additionally, when appropriate, the results were compared to the 2018 American Medical Association (AMA) National Prior Authorization Physician Survey. The AMA also gave TMA permission to use their survey question bank.

Physicians continue to describe PA as increasingly frustrating and never-ending. Additionally, the process, which varies greatly between health plans, can greatly impact patients negatively. Over the last five years, a strong majority of Texas and AMA physicians say they have seen an increase in burden associated with the process of prior authorization (87% and 88%, respectively). Additionally, 69% of Texas physicians describe it as very burdensome. The increase has been evidenced by an observed increase in the number of prior authorizations for prescription medications (85%) and medical services (80%).

### How Has the Burden Associated With Prior Authorization Changed Over the Past Five Years in Your Practice?



### Negative Outcomes Associated With Prior Authorization TMA vs AMA



The life cycle of the PA process, from initiation to approval, means many cumulative hours on the phone, hours which would be better directed at patient care. Compared to physicians nationwide (36%), a greater percentage of Texas physicians (48%) reported they have staff that work exclusively on PA.

Physicians often encounter multiple denials before finally getting an approval. Texas physicians report delayed access to care (85%) and interrupted continuity of care (81%) as outcomes associated with PA. Seventy-eight percent of physicians report patients abandon treatment due to prior authorization problems. Even worse, 35% report care delivery was affected – and that this led to a serious adverse event.

During the 2019 Texas legislative session, Senate Bill 1742 was passed. This law requires state-regulated health plans to post any prior authorization requirements on the internet. This is supposed to aid physicians and their staff to achieve approval more quickly and efficiently. However, there is still more work to be done. Without comprehensive PA reform, the burden to physicians' patient care will be negatively affected. Patients will continue to experience harm due to denied and delayed care.

Please note: This data was collected prior to the COVID-19 crisis. Therefore, this data does not take into consideration current practice environments where physicians and staff have had hours reduced or have been furloughed or laid off. Considering these economic factors and significant changes to the health care landscape due to the public health epidemic, the prior authorization burden reported in this survey should be considered understated. Due to the preliminary nature of this data, it is subject to change.

# Texas Prior Authorization Statistics

Summarized from Two Surveys on the Impact of  
Prior Authorizations on Texas Patients and  
Physicians



# Survey of Texas Voters

22% of the Texans said they have experienced a prior authorization or a utilization review denial (either personally or for a family member).

Of this number, the following outcomes occurred:

**29% appealed and got the denial from the insurance company reversed, causing delays in care**

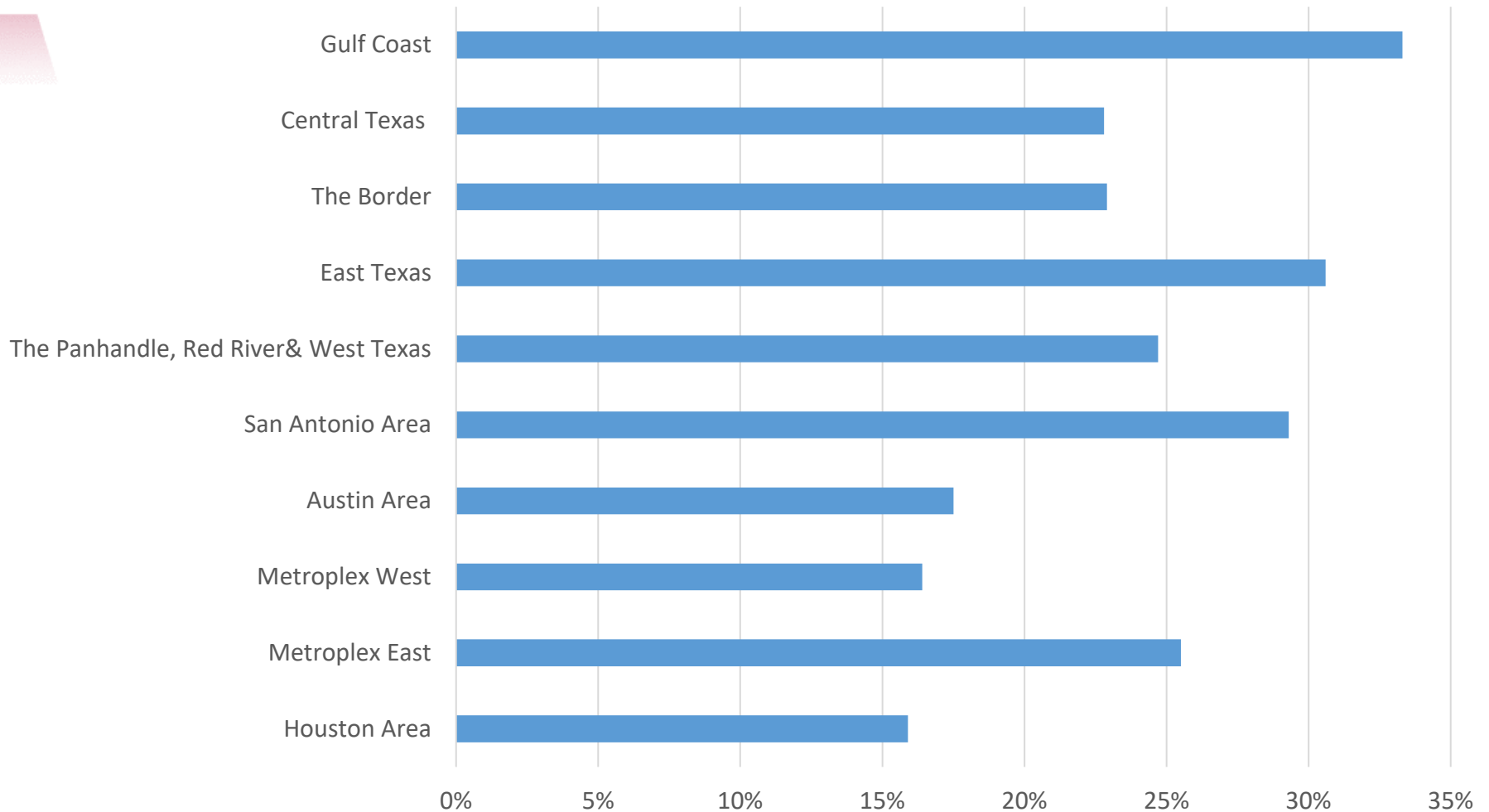
**40% paid for the care out-of-pocket, increasing the patient's health care costs**

**15% went without care, potentially causing long-term harm**

**9% went without care and suffered from the denial**

# Regional Breakdown

Percentage of Texans who have been subject to a Prior Authorization (PA)



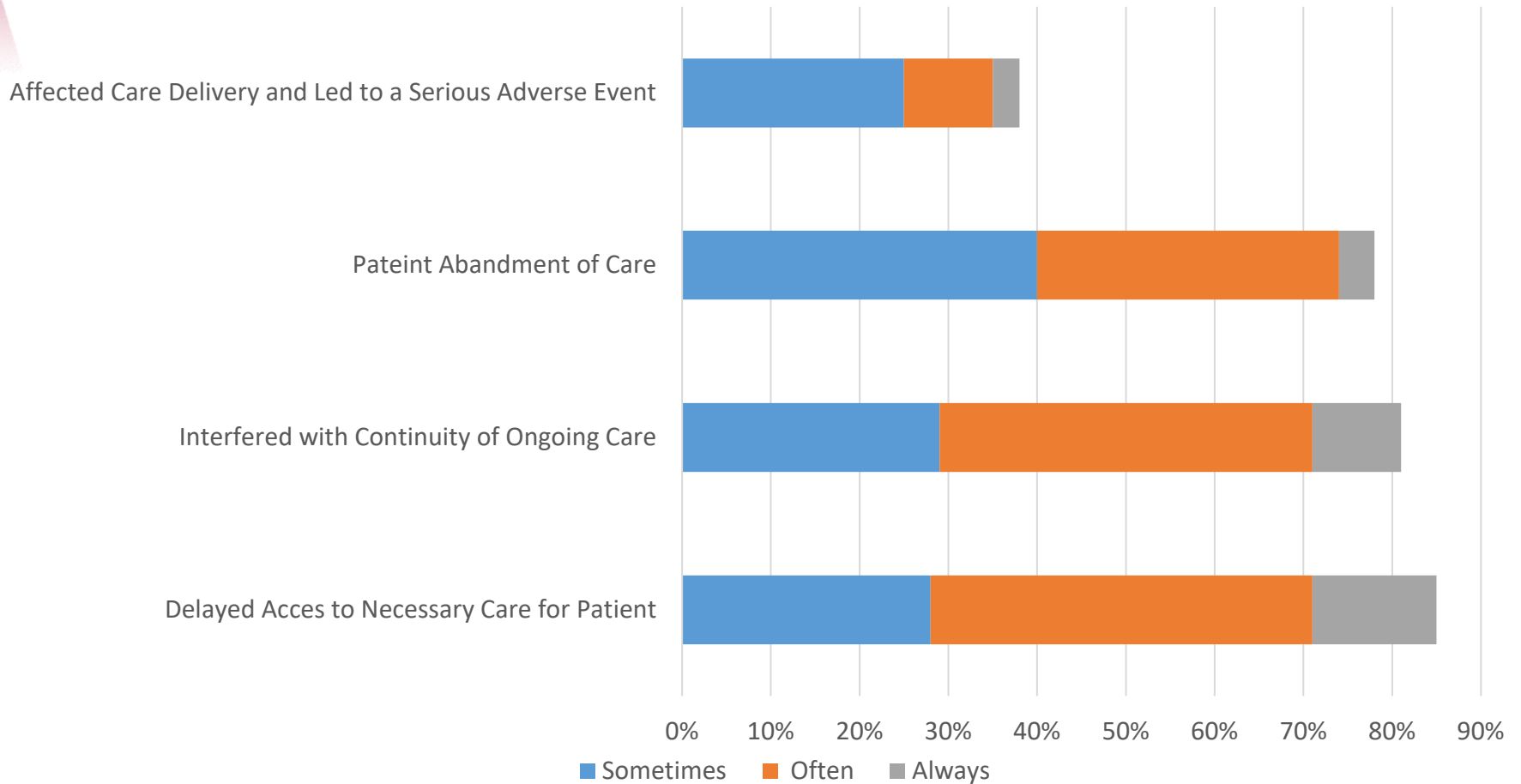


# Summary of Physician Prior Authorization (PA) Data

- 87% of Texas physicians say they have seen an increase in prior authorizations over the past 5 years.
- In the past 5 years, 85% of Texas physicians say they have seen an increase in prior authorizations for prescription medications, 80% say they have seen an increase for medical services.
- 48% of Texas physician practices have staff exclusively working on prior authorizations.
- Average number of prior authorizations per week for a Texas physician is 31.
  - 85% report delayed access to necessary care for patients
  - 81% report prior authorization interfered with continuity of care
  - 78% said their patients abandoned their recommended course of treatment
  - 38% said it affected care delivery and led to a serious adverse event

# Patient Outcomes Due to Prior Authorizations

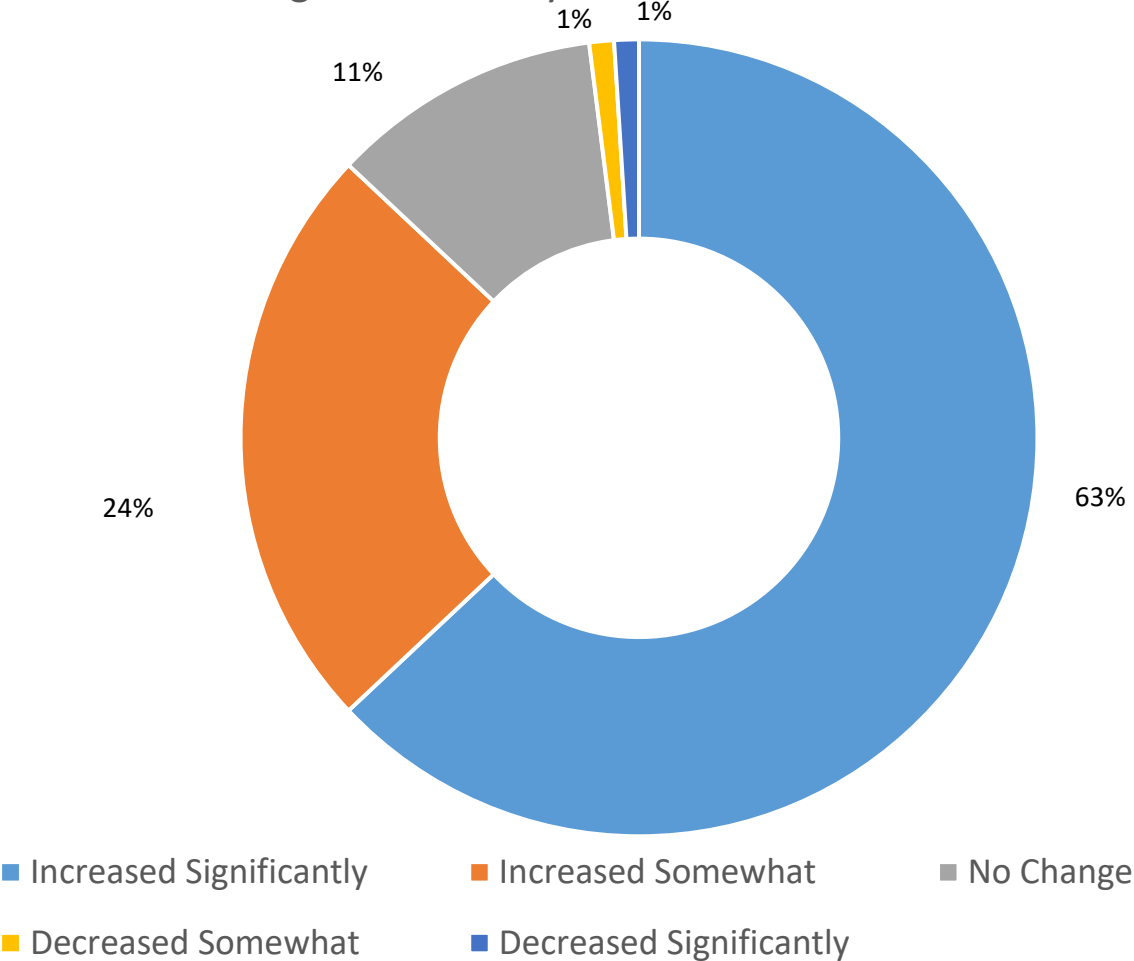
Patient Outcomes Due to Prior Authorizations





# Burden Associated with Prior Authorization

Burden Change to Texas Physician Practices over the Past 5 Years



# Key Points on Texas Patient and Physician Burden



**31**

**average number of prior authorizations  
completed by physicians each week**

**91%**

**of physicians reported care delay**

**75%**

**of physicians reported prior authorization  
can lead to treatment abandonment**