February 14, 2023

The Honorable Melony Griffith
Senate Finance Committee
3 East – Miller Senate Office Building
Annapolis, MD 21401

RE: Support – Senate Bill 308: Health Insurance - Utilization Review - Revisions

Dear Chairman Griffith and Honorable Members of the Committee:

The Maryland Psychiatric Society (MPS) and the Washington Psychiatric Society (WPS) are state medical organizations whose physician members specialize in diagnosing, treating, and preventing mental illnesses, including substance use disorders. Formed more than sixty-five years ago to support the needs of psychiatrists and their patients, both organizations work to ensure available, accessible, and comprehensive quality mental health resources for all Maryland citizens; and strive through public education to dispel the stigma and discrimination of those suffering from a mental illness. As the district branches of the American Psychiatric Association covering the state of Maryland, MPS and WPS represent over 1000 psychiatrists and physicians currently in psychiatric training.

MPS/WPS strongly support Senate Bill 308: Health Insurance - Utilization Review - Revisions (SB 308) as this is a priority piece of legislation for both these physician groups.

When a physician or other clinician prescribes medication or treatment for a patient, the patient's insurance company or pharmaceutical benefits manager (PBM) requires an explanation as to why it is necessary before approving coverage. This utilization management tool of the insurance carriers and PBMs is called "prior authorization." While prior authorization is promoted as a health care savings mechanism, this process simply creates extensive paperwork requirements, multiple phone calls, and significant wait times for both prescribers and their patients. In the end, prior authorization often leads to patients experiencing arbitrary limits on medications and untimely and/or incomplete treatment of their underlying conditions. A staggering ninety percent (90%) of physicians report that prior authorization significantly negatively impacts patient outcomes.

Remarkably, no clear evidence exists that prior authorization improves patient care quality or saves money. Instead, it often results in unnecessary delays in receiving life-sustaining medications or other treatments and leads to physicians spending more time on paperwork and less time treating their patients. For individuals with psychiatric disorders, including those with serious mental illness or substance use disorders, gaps in treatment due to pre-authorization denials can lead to relapse, with increased health care costs and devastating effects for individuals and their families

As a start to fixing prior authorization, policymakers and other stakeholders should consider how the volume of prior authorization impacts patients, physicians, and the health care system. While this utilization management tool may reduce the amount health insurers are paying for care in the short term, delaying or denying medically necessary care is not an appropriate or effective long-term solution to reducing costs. Instead, prior authorization, if used at all, must be used judiciously, efficiently, and in a manner that prevents cost-shifting onto patients, physicians, and other providers. SB 308 takes just that approach.

SB 308 seeks to accomplish the following:

- **Eliminate prior authorization for generic medications that are not controlled substances.** These medications are cheap and not addictive; therefore, prior authorization provides no benefit to costs or patient safety.

- **Eliminate prior authorization for dosage strength changes of the same medication**. Patients may often require a dosage adjustment, and prescribers should not be constricted by administrative barriers to use their professional judgment.

- **Eliminate prior authorization for generic and brand drugs after patients have been on the medication for six months without interruption.** Once a patient has demonstrated a stable adherence to their treatment plan, his or her prescriber should not be subjected to additional prior authorizations.

- **Prohibit plans from denying medication on the grounds of therapeutic duplication if the patient has already been subject to review for the same dosage and it was previously approved.** When a patient requires a certain dosage of medication that is not manufactured in that specific dosage, prescribers may write two corresponding prescriptions to create a unique dose for the patient. Patients are often denied coverage of this medication based on "therapeutic duplication" without recognizing the patient's dosing needs.

- **Require denials and denial reviews to be conducted by physicians in the same profession or similar specialty as the health care provider whose recommended treatment is under review.** Insurers and PBMs have been empowered to practice medicine without a license to make coverage denials. Even when a physician is conducting utilization reviews, a psychiatrist may receive a denial from a cardiologist, who lacks the clinical expertise. This change would ensure that denial and denial reviews are overseen by an expert who is familiar with the treatment plan and type of patient under review.

Patients, especially those with mental health and substance use disorders, need timely access to medication. Please support SB 308, which makes common-sense changes to prior authorization. For all the reasons above, MPS and WPS ask the committee for a favorable report on SB 308.

If you have any questions with regard to this testimony, please feel free to contact Thomas Tompsett Jr. at tommy.tompsett@mdlobbyist.com.

Respectfully submitted,
The Maryland Psychiatric Society and the Washington Psychiatric Society
Legislative Action Committee