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SB0791

February 21, 2024

**TO:** Members of the Senate Finance Committee  
**FROM:** Nina Themelis, Director of Mayor's Office of Government Relations  
**RE:** Senate Bill 791 – Health Insurance - Utilization Review - Revisions  
**POSITION: FAVORABLE**

Chair Beidle, Vice Chair Klausmeier, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 791.

SB 791 changes the “prior authorization” (prior auth) process, which insurance companies use to review treatments prescribed by medical providers and to control costs. **The current prior auth process is burdensome to health care providers and often leads to harmful disruptions in critical patient care.** National medical experts, including the American Medical Association and American Hospital Association, have been advocating for changes to this process for years.<sup>i,ii,iii</sup> SB 791 addresses some of the most pressing prior auth challenges.

**SB 791 will allow people who take medication for chronic conditions to continue to use the medication that works for them** by prohibiting insurers from denying coverage for a patient's medication if certain conditions are met. **This will be a major achievement in patient-centered care.** Patients should be treated with the medications that are most effective for them – not the medication that is cheapest for the insurer.

To understand the patient experience, let us examine what this can mean for children with asthma. 26% of Maryland high schoolers have asthma. In Baltimore City, this number is even higher, at 33%.<sup>iv</sup> To help make sure children have the medication they need to control their asthma, **the American Lung Association has urged states to “end policies that require patients to change medications when [their asthma is] already well controlled.”**<sup>i</sup> It can take years to find a treatment that works for people with chronic conditions. When a prior auth request is denied, patients can find themselves suddenly switched to another drug by their insurer (not by their doctor). This can dramatically impact their health and quality of life.<sup>v</sup> **Over half of chronic disease patients subject to such medication changes experience new complications.**<sup>v,vi</sup> For asthma patients, this can mean increased asthma attacks, hospitalizations, missing school, loss of workdays, and even death.

**These prior auth processes are costly to patients' health, their wallets, and to our entire health care system:** while the initial decision to deny a prior auth request may save money for the insurer, downstream disruptions in patient care can ultimately increase net costs.<sup>vii,viii</sup> While insurers defer costs onto patients, they continue to reach record profits. In the third quarter of 2022 alone, Cigna shareholders saw \$2.8 billion in income.<sup>ix</sup> UnitedHealth Group saw \$5.3 billion in net earnings.<sup>x</sup> That same year, [a college student in](#)

[Pennsylvania](#) was fighting to get UnitedHealth to cover the only treatment that worked for his debilitating ulcerative colitis. The company, which continuously refused despite advocacy from his doctor, earned in just minutes what it would cost to cover his treatment for a year.<sup>xi</sup>

In addition to the critical changes to the prior auth process described above, **SB 791 also increases transparency and facilitates communication between health care providers and insurers.** As part of this, it requires insurance companies to implement an online system that streamlines the prior auth process. This would be a boon to health care workers, who often spend hours every day navigating complex prior auth processes – all hours during which they could otherwise be seeing patients.<sup>vii</sup>

For these reasons, the BCA respectfully request a **favorable** report on SB 791.

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<sup>i</sup> American Lung Association. (2022). A National Asthma Public Policy Agenda. Retrieved from <https://www.lung.org/getmedia/4c554601-a822-46f9-98aa-1bf6edc6782a/natasthmapubpolagenda2022update.pdf>

<sup>ii</sup> American Medical Association. (2024). Prior authorization reform initiatives. Retrieved from <https://www.ama-assn.org/practice-management/prior-authorization/prior-authorization-reform-initiatives>

<sup>iii</sup> American Hospital Association. (2023). AHA Urges CMS to Finalize the Improving Prior Authorization Processes Proposed Rule. Retrieved from <https://www.aha.org/lettercomment/2023-10-27-aha-urges-cms-finalize-improving-prior-authorization-processes-proposed-rule>

<sup>iv</sup> Maryland Department of Health. (n.d.). 2018 Youth Risk Behavior Survey Results. Retrieved from <https://health.maryland.gov/phpa/ccdpc/Reports/Documents/2018%20YRBS%20YTS%20Reports/Maryland/2018MDH%20Detail%20Tables.pdf>

<sup>v</sup> Alliance for Patient Access. (2019). A study of the qualitative impact of non-medical switching. Retrieved from [https://admin.allianceforpatientaccess.org/wp-content/uploads/2020/02/AfPA\\_Qualitative-Impact-of-Non-Medical-Switching\\_Report\\_Feb-2019.pdf](https://admin.allianceforpatientaccess.org/wp-content/uploads/2020/02/AfPA_Qualitative-Impact-of-Non-Medical-Switching_Report_Feb-2019.pdf)

<sup>vi</sup> Gilbert I, Wada K, Burudpakdee C, Ghai C, Tan L. The Impact of a Forced Non-Medical Switch of Inhaled Respiratory Medication Among Patients with Asthma or Chronic Obstructive Pulmonary Disease: A Patient Survey on Experience with Switch, Therapy Satisfaction, and Disease Control. Patient Prefer Adherence. 2020;14:1463-1475. Published 2020 Aug 20. doi:10.2147/PPA.S242215

<sup>vii</sup> Rood MN, Cruz-Knight W, Cunagin J, et al. The effect of insurance-driven medication changes on patient care. J Fam Pract. 2012;61(7):E1-E7

<sup>viii</sup> Liu, Y., Skup, M., Lin, J., & Chao, J. (2015). Impact of non-medical switching on Healthcare costs: a claims database analysis. DOI: <https://doi.org/10.1016/j.jval.2015.03.1465>

<sup>ix</sup> The Cigna Group. (2022). Cigna Reports Strong Third Quarter 2022 Results, Raises 2022 Outlook. Retrieved from

<sup>x</sup> UnitedHealth Group. (2022). UnitedHealth Group Reports Third Quarter 2022 Results. Retrieved from <https://www.unitedhealthgroup.com/content/dam/UHG/PDF/investors/2022/UNH-Q3-2022-Release.pdf>

<sup>xi</sup> Armstrong, D., Rucker, P. & Miller, M. (2023). UnitedHealthcare Tried to Deny Coverage to a Chronically Ill Patient. He Fought Back, Exposing the Insurer's Inner Workings. Retrieved from <https://www.propublica.org/article/unitedhealth-healthcare-insurance-denial-ulcerative-colitis>