February 20, 2024

The Honorable Pamela Beidle
Senate Finance Committee
Miller Senate Office Building – 3 East
Annapolis, MD 21401

RE: Support – Senate Bill 791: Health Insurance - Utilization Review - Revisions

Dear Chair Beidle 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/WPS represent over 1000 psychiatrists and physicians currently in psychiatric training.

MPS/WPS strongly support Senate Bill 791: Health Insurance - Utilization Review - Revisions (SB 791) 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 healthcare savings mechanism, this process 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 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, leading 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 healthcare costs and devastating effects for individuals and their families. This includes recurrence or worsening of psychiatric***

symptoms, withdrawal symptoms, medical complications related to metabolism or blood pressure, relapse, and risk of harm to themselves or others.

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 791 takes just that approach.

SB 791 seeks to accomplish the following:

- **Eliminate prior authorization for reauthorization of the same drug**. Patients responding successfully to psychiatric medication(s) should be able to continue on their medication(s) if their prescriber attests that it is in their patient's best interest.

- **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 when changing health insurance carriers.** The 90-day window provided under SB 791 to health insurance carriers to perform a prior authorization with a new patient, but also allowing that patient to stay on the psychiatric medication that has been helping her is equitable and will foster a seamless transition from one insurance provider to another.

- **Require denials and denial reviews to be conducted within 24 hours for time-sensitive cases.** As detailed above, psychiatric patients who come off their medication experience deteriorating impacts on physical and mental health abruptly. In these time-sensitive matters, it is important that the patient's insurance carrier, who is rendering the denial and creating the delay in treatment, be readily available and responsive to remedy the disruption in care.

- **Peer-to-peer reviews by physicians.** 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. The changes proposed under SB 791 ensure that when a physician seeks a "peer to peer" on a denial review, she receives one with a board certification or eligibility in the same specialty and who is knowledgeable about the requested healthcare service or treatment.

Patients, especially those with mental health and substance use disorders, need timely access to medication. Please support SB 791, 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 791.

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