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THE MARYLAND HOUSE OF DELEGATES
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**Testimony in Support of HB 932**
**Health Insurance – Utilization Review – Revisions**

Good afternoon, Chairman Peña-Melnyk and honorable members of the committee. Thank you for the opportunity to present HB 932: **Health Insurance – Utilization Review – Revisions**. This bill addresses the issues raised by our constituents and health care providers over the last few years regarding the practices and processes that health insurance carriers use to approve medications and medical procedures.

I suspect that that many of you have experienced the inconvenience of having a prescription you have been successful on denied coverage and having to go through a lengthy grievance process.

Now imagine, you were hospitalized several times because of severe flare ups from your disease and you were prescribed a drug AND the carrier approved it. But somehow, 10 years later, the carrier says it will not reauthorize your treatment and you must try another less expensive therapeutic equivalent drug. The problem is not only has your condition been under control for the past 10 years and you have not had to be readmitted to the hospital, your doctor also tells you that if new drug does not work, you cannot go back on the original drug that worked so well because it won't work if you try to go back on it because of your body's responses would have been changed.

Or consider that you have had epileptic seizures but since you have been in a specific drug, you have been seizure free. Now years later the carrier says they will not reauthorize your treatment and you must try a less costly generic that has come onto the market. The problem is what happens if it does not work? What happens of you have a seizure while driving? While taking care of your young child or when you are alone in the house?

Last session this committee heard legislation that would have revised the prior authorization and utilization review processes used by health insurance carriers. After hours of debate and discussion, no resolution was reached between health care providers and carriers.

At the request of the Chair, many meetings took place this interim that brought representatives of both the provider and the payor side together to develop solutions for the issues we heard.

I am pleased to say that this bill is the product of those negotiations. A sign of a good bill is when each side agrees, but each side wishes that it got a little bit more. That is HB 932.

This bill is a modified reintroduction of the bill last Session and is carefully crafted to preserve the integrity of the prior authorization and utilization review techniques used by carriers but provides greater protections for patients and addresses the concerns raised by providers regarding the administrative burdens the processes place on them and their staff.

It is a long bill, but the provisions can be broken down into three areas.

**Access to Medication**

- It reduces the volume of medications subject to prior authorization.
- It allows a patient to remain on a drug and not be denied on reauthorization when the carrier initially approved the patient to use that drug, the patient has been continuously using it and the prescriber attests that the drug continues to be necessary to treat the patient's medical condition. Without the protection of this provision, patients are too often required to go off a medication even if that medication has been beneficial in treating the patient's condition. This is not at the choice of the patient or the patient's treating provider but at the direction of the insurance carrier. Often these patients are on drugs to treat mental health illnesses, autoimmune diseases, and other chronic conditions such as hypertension, epilepsy, and diabetes.

We knew at the beginning of these discussions that the process of utilization management was used not only for patient safety, but also for constraining drug costs. I am in full support of lowering health care costs; however, that cost cannot be at the expense of patients who have been well-maintained on a drug, sometimes for years. This provision does not prevent carriers from requiring a patient with a newly diagnosed illness to use a less-costly alternative nor does it prevent a prescriber or patient from making the decision to try another drug. This provision simply puts the primary decision for whether a patient should stay on the patient's current drug or be switched to another drug back into the hands of the prescriber and the patient.

In reducing the number of prior authorizations, HB 932 also ensures that when a patient changes carriers a prior authorization will be honored for the first 90 days while the new carrier conducts its own review and reaffirms that dosage changes do not require another prior authorization provided that the change is consistent with federal FDA labeled dosages.

**Increasing Transparency and Communication**

- Requires that any communication from the carrier when there is a denial of health care services states in detail the factual bases for the decision that explains the reasoning why the health care provider's request was not medically necessary and why it did not meet the criteria and standards used in conducting the review.
- Requires that if any additional information is needed to make the determination the carrier must provide the specific information needed, including any lab or diagnostic test or other medical information, along with the criteria and standard used to support the need for the additional information.
- Tightens the standards and criteria that must be used by carriers in making utilization determinations.

**Study for Potential Opportunities**

Requires the Maryland Health Care Commission and the Maryland Insurance Administration to review initiatives regarding establishing programs to exempt providers from prior authorization requirements if certain criteria are satisfied.

Due to concerns raised recently regarding the impact of this bill, including cost and medical outcomes, we are now discussing an amendment to require an impact assessment and report in three years.

HB 932 is truly a product of collaboration between stakeholders that come from very different perspectives. I believe that it is a well-balanced bill that considered the concerns raised by health care providers, consumers and payors and struck a very good compromise. It will protect patients and alleviate the strain on providers but remains intact the ability to conduct utilization review.

I thank you for your consideration of HB932 and humbly ask for your favorable report.