



February 27, 2023

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

RE: Support – Senate Bill 724: Health Insurance Carriers - Requirements for Internal Grievance Process – Modification

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 724: Health Insurance Carriers - Requirements for Internal Grievance Process - Modification (SB 724). 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. Over 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.

The Maryland Insurance Administration, through HB 724, addresses one piece of the prior authorization puzzle, notice. Under the bill, a health insurance carrier must inform a member, the member's representative, or the health care provider acting on behalf of a member of the carrier's adverse decision for nonemergency cases. MPW/WPS agree with the MIA's fiscal analysis of the bill, when it stated, "[C]onsumers and providers are better served by expressly authorizing communication regarding adverse decisions through expedited electronic means."

Patients, especially those with mental health and substance use disorders, need timely access to medication and notice of denials. Please support SB 724, which makes a common-sense changes to prior authorization. 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