



February 20, 2024

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

RE: Support – Senate Bill 93: Health Insurance – Utilization Review – Private Review Agents

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 support Senate Bill 93: Health Insurance – Utilization Review – Private Review Agents (SB 93)

To begin, we would like to provide an overview of prior authorization, which this body has deliberated for the last few sessions. 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.

SB 93 seeks to fix a part of the nebulous and cumbersome prior authorization process. The goal of Senate Bill 93 is to require private review agents (PRAs) to use specific utilization review standards for authorization, medical necessity, and level of care decisions for mental health and substance use disorder. State law already requires PRAs to use the American Society of Addiction Medicine (ASAM) Criteria for all utilization review decisions for substance use disorder treatment. However, current law does not provide specific utilization review standards for mental health care decisions. As a result, PRAs often use stringent criteria to deny the recommended level of care, particularly more complex and more expensive services. SB 93 remedies that issue by codifying the appropriate standards to be used when considering a prior authorization for a patient with mental health or substance use disorder care.

In addition, SB 93 would require utilization review agents to use medical necessity and placement criteria that the non-profit society of MH professionals have developed. If no such standards are in place, PRAs must adopt criteria that comply with “generally accepted standards of care,” as defined in the bill. The bill would also require PRAs to speak with the prescribing provider before issuing a denial to identify the standard that has not been satisfied in an effort to avoid incorrect denials.

Patients, especially those with mental health and substance use disorders, need timely access to medication. Please support SB 93, 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 93.

If you have any questions regarding 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