

March 12, 2019

The Honorable Dafna Michaelson Jenet  
The Honorable Yadira Caraveo, MD  
Colorado House of Representatives  
200 E Colfax  
RM 307  
Denver, CO 80203

Re: AMA Support for House Bill 1211, legislation to address the harmful prior authorization process

Dear Representatives Jenet and Caraveo:

On behalf of the American Medical Association (AMA) and our physician and student members, I write to state our strong support for your legislation, House Bill (HB) 1211, to improve the prior authorization process. I want to specifically thank you both for your leadership on this important issue.

The AMA is very concerned about the arduous prior authorization process and its negative impact on patients, as we frequently hear from physicians about avoidable and harmful delays in care that result from these insurer protocols. While insurers may hold prior authorization programs up as tools to promote quality and safety, physicians know that these programs are, in fact, just the opposite—barriers to patients accessing medically necessary covered benefits. In the best-case scenarios, prior authorization programs waste an enormous amount of resources—resources that could be spent on patient care—and increase costs to the system. In the worst-case scenarios, prior authorizations hurt patients.

The AMA recently released our *2018 Prior Authorization Physician Survey (2018 Survey)* where physicians reported that they spend approximately 14.9 hours, or nearly two business days, per week, completing prior authorizations. Moreover, 36 percent of physicians reported that they have had to hire staff to work exclusively on prior authorization. Further, physicians responded that the situation is getting worse—as 88 percent of respondents stated that the prior authorization burdens have increased over the last five years. Physician practices are being forced to pour more and more resources into interactions with insurers simply to provide care and the result is direct costs to the health care system.

Similarly, prior authorization requirements may increase direct costs for patients while adding waste to the system. The AMA has recently undertaken a story collection effort to help us better understand the patient impact of these programs and a recent story told to the AMA by “Bob A.,” a patient in Chicago, illustrates the patient and system costs. Bob’s story includes a trip to the emergency room for chest pain that turned out to be two pulmonary embolisms. While scary, the best treatment for Bob was anticoagulant pills that the attending physician attempted to prescribe. Unfortunately, Bob’s health insurer required a prior authorization that would have delayed access and treatment. Given the urgency of Bob’s situation, Bob had to be admitted to the hospital that night and given the blood thinner on an in-patient basis—an expensive result when a timely, lower-cost solution was available, but for the insurer’s prior authorization requirement.

Prior authorization costs can also be felt as patient delays lead to decreased adherence to necessary medical care. In our recent 2018 Survey, 91 percent of physicians reported care delays because of prior authorization and 75 percent reported that prior authorization can lead to treatment abandonment. This means that a patient in need of blood pressure medication, for example, who arrives at the pharmacy and is told his prescription is not available due to a prior authorization requirement, may never return to pick it up. It is well established that medication nonadherence is a major cost driver, and some estimate that between \$100 and \$300 billion of avoidable health care costs may be attributed to nonadherence in the United States annually.<sup>1</sup> In a state as focused on addressing health care costs as Colorado, the AMA applauds your commitment to reducing the system-wide costs of prior authorization with HB 1211.

As stated earlier, prior authorization requirements resulting in increased costs is the best-case scenario. The worst-case, and all-too-common, scenario is that prior authorization causes harm to patients. In our 2018 Survey, 91 percent of physicians reported that prior authorization can have a negative effect on clinical outcomes and, alarmingly, over a quarter of physicians reported that prior authorization has led to a serious adverse event for their patients.

These numbers are frequently brought to life in terrible and often tragic patient stories. In a recent story brought to the AMA, patient “Kimberly S.” reported that she went almost two weeks without long-acting insulin and two days without short-acting insulin waiting for her insurer’s prior authorization process to conclude. This delay landed her in the emergency room three times and sent her into a pancreatitis flare. Similarly, “Sherry L.” recently told the AMA about the delays she faces in accessing her pain medication, on which she has been stable for 10 years. In Sherry’s case, her insurer requires prior authorization for her pain medication every three months, and she reports frequently waiting days—while experiencing severe pain—for her insurer to approve this medication. Likewise, “Diana G.” shared her mother’s story with the AMA, describing a three-day wait filled with violent episodes of vomiting and nausea following chemotherapy for pancreatic cancer due to a prior authorization delay on her mother’s anti-nausea medication.

And tragically, in a recent [story](#) reported by Lisa Gillespie for Kentucky’s public radio station, Mike Kalfas, MD, reported writing a prescription on a Friday afternoon for buprenorphine to help block the cravings of his patient suffering from an opioid addiction. After his office closed that evening, the insurance company denied the medication because of prior authorization. By 9:30 am on Monday, his patient had died of an overdose. “That happens more often than I like to admit,” stated Dr. Kalfas.

Unfortunately, these stories will all sound too familiar to Colorado physicians, and that is why enactment of HB 1211 is so critical. This legislation would make meaningful changes to the prior authorization process by improving access to care, addressing the harmful impact these protocols are having on patients and reducing the waste that results from these programs.

Thankfully, your legislation would reduce the time that patients are forced to wait for their insurer’s decision on authorization. HB 1211 would also improve the transparency of the processes, requirements and formulary information offered at the point-of-care.

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<sup>1</sup> Benjamin RM. Medication adherence: Helping patients take their medicines as directed. Public Health Rep. 2012;127(1):2–3.; Viswanathan M, Golin CE, Jones CD, et al. Interventions to improve adherence to self-administered medications for chronic diseases in the United States: a systematic review. Ann Intern Med 2012;157:785–95.

The Honorable Dafna Michaelson Jenet  
The Honorable Yadira Caraveo, MD  
March 12, 2019  
Page 3

Importantly, HB 1211 would allow authorizations to be valid for 180 days, recognizing that not all care can be fulfilled or delivered in the short time periods for which authorization are often valid. Additionally, your legislation would prevent the burdens being put on patients like Sherry L. who are forced to continually go through the process of obtaining prior authorizations throughout the year even when their condition and request has not changed.

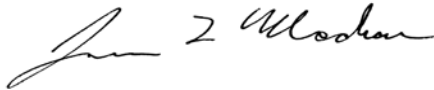
Additionally, the legislation would place Colorado among the leading states tackling the massive volume of prior authorizations by requiring health insurance plans to limit their requirements to just outliers and would create programs that reduce the burden on providers with high approval rates. The AMA has long suggested that if prior authorization is going to be used at all, health insurers should restrict programs to only “outlier” providers whose prescribing or ordering patterns differ significantly from their peers after adjusting for patient mix and other relevant factors.

Overall, HB 1211 is a critical step forward for a state committed to reducing health care costs and improving patient care. The AMA looks forward to working with you, the Colorado Medical Society and the many supporting organizations toward enactment of this important and forward-thinking legislation.

If you have any questions or need additional information, please contact Emily Carroll, Senior Legislative Attorney, AMA Advocacy Resource Center, at [emily.carroll@ama-assn.org](mailto:emily.carroll@ama-assn.org) or 312-464-4967.

Once again, I thank you for your leadership.

Sincerely,

A handwritten signature in cursive script, appearing to read "James L. Madara".

James L. Madara, MD

cc: Colorado Medical Society