



April 5, 2022

The Honorable Vincent C. Gray
Chairman, Committee on Health
1350 Pennsylvania Ave. NW, Ste. 406
Washington, DC 20004

Re: Support for the Prior Authorization Reform Amendment Act of 2022

Dear Chairman Gray:

On behalf of the American Medical Association (AMA), the Medical Society of the District of Columbia (MSDC), and our physician and student members, we write to state our strong support for Bill (B) 24-655, “the Prior Authorization Reform Amendment Act of 2022.” We thank you for your sponsorship and strongly urge the Committee on Health to quickly approve this legislation.

The AMA and MSDC have long been concerned about the prior authorization process and its negative impact on patients, as we frequently hear from physicians and patients about delays in care that result from these insurer protocols. In fact, just recently, the [AMA released survey data](#) showing that 93 percent of physicians report care delays because of prior authorizations. AMA data also show that 34 percent of physicians report that prior authorization has led to a serious adverse event for a patient in their care, such as hospitalization, permanent impairment, or death. Not surprisingly, the same survey found that 91 percent of physicians see prior authorization as having a negative effect on their patients’ clinical outcomes and 82 percent of the physicians surveyed indicated that patients abandon treatment due to authorization struggles with health insurers.

In addition to the harmful individual patient impact, there is no economic rationale for prior authorization. Costs to the health care system due to prior authorization are playing out in physician practices all over Washington, DC and across the country. For example, physician offices find themselves using inordinate amounts of staff time and resources submitting prior authorization paperwork to justify medically necessary care for their patients to health plans. In fact, AMA survey data show that, on average, physician practices complete 41 prior authorizations per physician per week and that 40 percent of physicians report that there are staff members in their office that exclusively work on prior authorizations. Importantly, this all adds up to nearly two business days, or 13 hours, each week – dedicated to completing prior authorizations.

It is also important to recognize that these prior authorization burdens continue to place administrative pressure on physician practices – as they face staff shortages and attempt to regain their footing following the COVID-19 pandemic. Notably, a September 2021 [Stat poll](#), from the Medical Group Management Association (MGMA), showed that 73 percent of medical practices ranked staffing as their biggest pandemic challenge heading into 2022, and another MGMA [December poll](#) revealed continued staffing concerns. Now more than ever, administrative burdens, such as prior authorization, weigh down physician practices and consume resources - leading to fewer resources being allocated to direct patient care.

Moreover, by delaying care, undercutting recovery, and reducing the stability of patients' health, prior authorization increases workforce costs as patients miss work or may not be as productive in their jobs. For example, AMA survey data show that of physicians who treat patients between the ages of 18 and 65 currently in the workforce, more than half report that prior authorization has interfered with a patient's ability to perform their job responsibilities. While health plans undoubtedly see prior authorization as a cost-saving tool used to reduce spending on medically necessary care, the costs to patients, physician practices, employers, and the health care system is unjustifiable.

In 2018, in what looked like progress, health plans recognized the need to reduce the burden of prior authorization and [agreed](#) to make a series of improvements to the prior authorization process. Despite increasing evidence of harm, however, most health plans have made no meaningful progress on reforms. This means that passage of B 24-655 is necessary to improve access to care for patients in Washington, DC.

B 24-655 is a well-balanced approach to streamlining and right sizing the prior authorization process. It brings the District of Columbia in line with many states that have enacted similar reforms and sets an example for other policymakers in other states to follow. B 24-655 would reduce care delays from prior authorization requirements by mandating timely authorizations or denials from health plans. It also increases transparency in the process by requiring health plans to publicly post, and provides upon request, the items, and services subject to prior authorization restrictions. This allows patients to make informed decisions about their health insurance and providers to access requirements easily. Transparency would also be improved through the reporting of prior authorization statistics by health plans, including rates of approvals, denials and appeals, and wait-times for decisions.

In addition to the above, B 24-655 accomplishes the following critical reforms:

- eliminates repetitive prior authorizations for the same treatment;
- reduces care delays and the risk of destabilizing patients with a chronic condition and in ongoing treatment;
- reduces disruptions in care when patients switch health plans;
- recognizes that in some situations, prior authorization is never appropriate, and thereby prohibits prior authorization for medication for the treatment of opioid use disorder; and
- ensures that qualified and licensed physicians are the ones making adverse determinations or deciding appeals.

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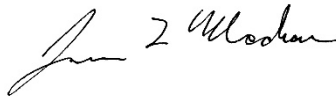
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For all these reasons and more, the AMA and MSDC respectfully urge the Committee on Health to approve B 24-655 in a timely manner and improve the prior authorization process and protect patients in Washington, DC.

Thank you for your leadership on this important issue. Our organizations stand ready to help move this bill toward enactment and we ask that you please contact Robert Hay, Jr., Executive Vice President, MSDC, at hay@msdc.org or Emily Carroll, Senior Legislative Attorney, AMA Advocacy Resource Center, at emily.carroll@ama-assn.org, with any questions.

Thank you for your consideration.

Sincerely,



James L. Madara, MD
CEO and Executive Vice President
American Medical Association



Robert Hay, Jr.
Executive Vice President
Medical Society of the District of Columbia

cc: Mary Cheh
Charles Allen
Anita Bonds
Janeese Lewis George