

VOTE "YES" ON HB 2517A

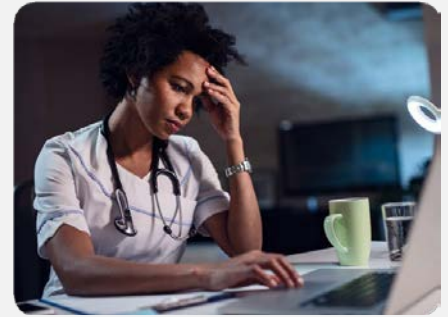
SUPPORT HEALTHCARE PROVIDERS' ABILITY TO CARE APPROPRIATELY FOR PATIENTS



98% of providers report care delays due to prior authorization processes.



89% of providers report prior authorization, at least sometimes, leads to treatment abandonment.



60% of practices have staff who work exclusively on utilization management.ⁱ

WHAT IS UTILIZATION MANAGEMENT? Utilization management protocols such as prior authorization and step therapy are important cost-containment and quality assurance tools employed by insurers, but they often result in higher levels of administrative burden and can contribute to delayed care and negative patient outcomes.

Prior authorization is a process that requires health care providers to ask permission from an insurance company before performing certain medical procedures or prescribing certain medications for a patient.

Step therapy protocols require patients to try and fail one or more therapies before they can access the therapy their provider initially prescribed.

PASSAGE OF HB 2517A WOULD NOT PROHIBIT COMMERCIAL PAYER UTILIZATION MANAGEMENT PROGRAMS. RATHER, IT WOULD ENSURE TRANSPARENT, EFFICIENT, AND FAIR PROCESSES FOR PATIENTS AND PROVIDERS.

LIMITING HEALTH CARE DECISIONS AT WHAT COST?



Georgia Medicaid reported pharmacy benefit savings attributable to step-therapy use of \$19.62 per member/per month for schizophrenia medications. However, these savings were offset by an increase of \$31.59 per member/per month in outpatient costs, resulting in an \$11.97 overall increase in healthcare costs.ⁱⁱ



The time and administrative burden associated with step therapy protocols may lead to delays or unnecessary breaks in treatment. In one study, depending on therapeutic class, 17% to 22% of patients did not submit *any* prescription claim to their insurance provider following a step therapy edit, instead forgoing treatment altogether.ⁱⁱⁱ



One analysis of formulary restrictions found *increased* total costs of treatment (inpatient, medical, pharmacy) of anxiety disorders due to formulary restrictions while medication adherence *declined*. The study concluded that step therapy may be associated with an increased number of patients requiring a therapy change and who discontinue therapy early.^{iv}

Fiscal Impact | Several states considering step therapy regulations issued fiscal notes indicating no, only minimal or indeterminate fiscal impact: CO, CT, IA, IN, KY, ME, NM, OK, TX, VA.^v California's 2020 proposal is estimated to result in a \$0.06 increase in average premiums in the state-regulated small-group segment and the large-group market. Premiums in other commercial segments are projected to increase \$0.01 or less.^{vi}

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SUPPORT PATIENT ACCESS TO NECESSARY, APPROPRIATE TREATMENT

PROVIDE REASONABLE EXCEPTIONS TO STEP THERAPY REQUIREMENTS:

- The patient has already tried and failed on the preferred medication, is already stabilized on a medication;
- The patient has already tried the medication or one with the same mechanism of action; or
- The preferred drug is not in the best interests of the patient based on medical necessity.

REDUCE ADMINISTRATIVE BURDEN ON PATIENTS AND HEALTHCARE PROVIDERS:

- Require process for electronic submission of authorization or exception requests;
- Clarify necessary information needed to submit a completed utilization management request; and
- Specify health service authorizations are valid for at least 60 days and, for chronic disease treatments, 12 months.

IMPROVE TRANSPARENCY AND NAVIGATION OF ADMINISTRATIVE PROCESSES:

- Require insurers to clearly identify the drugs, devices and services requiring utilization management, together with relevant exception criteria and detail process for submitting a utilization management request;
- Ensure providers will receive reason for a denied request; and
- Require insurers to provide notification of changes to utilization management within reasonable timeframe.



¹ Oregon Medical Association, Survey of Members, 2018. www.theoma.org
²Farley, J. et al. Retrospective assessment of Medicaid step-therapy prior authorization policy for atypical antipsychotic medications. Clinical Therapeutics, volume 30 Issue 8, August 2008. P1524-1539. <http://doi.org/10.1016/j.clinthera.2008.08.009>
³Yokoyama, K., et al. Effects of a step-therapy program for angiotensin receptor blockers on antihypertensive medication utilization patterns and cost of drug therapy. Manag Care Pharm, 2007. 13(3): P235-44. <https://www.ajmc.com/view/feb09-3917p123-131>
⁴Panzer PE, Regan TS, Chiao E, Sarnes MW. Implications of an SSRI generic step therapy pharmacy benefit design. Am J Manag Care.2005;11(12suppl):S370-S379.
⁵CO: leg.colorado.gov/sites/default/files/documents/2017A/bills/fn/2017a_sb203_f1.pdf
CT: www.cga.ct.gov/2014/fna/2014SB-00394-R00LCO05450-FNA.htm
IA: www.legis.iowa.gov/docs/publications/FN/857080.pdf
IN: iga.in.gov/legislative/2016/bills/senate/41#document-10ba4633
KY: apps.legislature.ky.gov/record/12RS/sb114.html
ME: www.mainelegislature.org/legis/bills/bills_129th/fiscalpdfs/FN100902.pdf
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VA: ls.virginia.gov/cgi-bin/lepp604.exe?191+oth+HB2126FER171+PDF
⁶California Health Benefits Review Program. Analysis of California Assembly Bill 2144 Step Therapy, A Report to the Legislature. (April 2020). www.chbrp.org