



March 4, 2024

**RE: SF 3532/HF 3578 – Prior Authorization Reforms**

Dear Chair Klein, Vice Chair Seeberger, and Members of the Committee,

Thank you for hearing legislation aimed at reforming the complex and excessively cumbersome prior authorization (PA) process. The Minnesota Ambulatory Surgery Center Association (MNASCA) and Healthcare Leaders Association of Minnesota (HLAMN formerly MMGMA) join other stakeholders, including the Minnesota Medical Association, the Minnesota Hospital Association, and many specialty clinics and provider groups in supporting SF 3532/HF 3578.

MNASCA, a statewide association representing Minnesota's Ambulatory Surgery Centers (ASCs), promotes high-quality, value-driven surgical services to provide the best possible care to patients. Healthcare Leaders Association of Minnesota is an organization of healthcare business leaders and executives who work together to improve the health status of the community and patients they serve. However, in recent years, the PA process has significantly hindered our members' ability to provide effective therapies to patients, consequently leading to compromised health outcomes in certain instances. As the legislature considers prior authorization reforms, we would like to highlight two critical issues with the existing PA system:

**Prior authorization is time-consuming and overly burdensome.** The current system requires doctors to jump through multiple hoops to obtain an insurer's approval before it will agree to pay for a prescription medication, medical test, or procedure. Prior authorization requirements and submission processes also vary widely among insurers, often requiring providers to expend valuable staff time and resources completing manual forms and furnishing additional information. Finally, our doctors are often working with insurer physicians who lack specialized knowledge of our surgery centers' specialties and recommended therapies and, therefore, do not have the expertise to make informed decisions regarding patient care.

**Overuse of prior authorization is also harmful to patients.** The PA review process frequently forces patients to wait days for insurers to issue approvals, and weeks or months to resolve denials. Minnesota doctors report that prior authorization has led to care delays, treatment abandonment, and even serious adverse events for patients.

Without legislative action, the overuse of prior authorization will continue to delay needed patient care, increase administrative costs, and contribute to physician burnout. MNASCA and HLAMN support legislative changes that will:

- Prohibit insurers from retrospectively denying coverage of a healthcare service for which prior authorization was not required by the health carrier.
- Require insurers to create and maintain an interface to streamline the prior authorization process and facilitate the exchange of information between providers and insurers.

- Prohibit prior authorization for critical services by expanding Minnesota Statutes 2022, section 62M.07, subdivision 2 to include additional services.
- Limit the use of prior authorization for chronic conditions to one-time only approvals.
- Require insurers to annually report prior authorization frequency, denial rates, and approval rates.
- Implement a "gold card" program for physicians attaining prior authorization approval rates exceeding the 70th percentile.

MNASCA and HLAMN greatly appreciate the legislature's consideration of these prior authorization reforms.

Sincerely,

Tracy Mills, President  
Minnesota Ambulatory Surgery Centers Association

Melissa Larson, President  
Healthcare Leaders Association of Minnesota