



Minnesota Hospital Association

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www.mnhospitals.org

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Chair Klein and Members of the Senate Commerce and Consumer Protection Committee,

On behalf of the Minnesota Hospital Association (MHA) and the patients our 141 hospital and health system members across the state serve, we write to you today to share our strong support for SF 3532 (Morrison) to strengthen Minnesota's current Prior Authorization (PA) laws.

In the 2020 Legislative Session, lawmakers passed a bill making overdue changes to the Prior Authorization process. That law shortened most PA response timelines and required like or similar physician specialties to conduct the PAs. These were certainly much needed improvements but unfortunately problems still remain which are creating hardships for our patients.

Patients across Minnesota are having their care delayed waiting for their insurer to approve payment for a procedure or medication that has been prescribed by their physician or other licensed provider AND it is part of their current benefit set. SF 3532 establishes much-needed guardrails to Minnesota's Prior Authorization process so that our patients can receive timely and needed health care.

Highlights of the bill which will benefit patient care:

- Prohibits Prior Authorizations for certain care services beyond emergency services: Substance Abuse Treatment, some generic drugs, outpatient mental health and chemical dependency, chemotherapy cancer treatments, immunizations, preventative services, pediatric hospice, Neonatal Abstinence Syndrome treatments, others.
- Calls for Prior Authorizations not to expire after one year for treatment of chronic conditions unless standards of care change in order to have patients with these conditions receive uninterrupted health care.
- Prohibits retrospective denials for Prior Authorizations where a PA was not required.
- Prohibits denials of services where Prior Authorization was required based solely on the lack of a PA – if the service would have normally been covered.
- Requires utilization review organizations to develop new systems to: Automate the process to determine if a Prior Authorization is needed, support automated PA requests and responses, indicate if a PA denial is appealable – in order to make the PA process faster and more efficient to reduce wait times for our patients.
- Requires (annually by Sept. 1) the Department of Commerce to publish a report documenting the following: the number of Prior Authorizations required, the number of PAs authorized vs. adverse determinations, the number of adverse determinations reversed on appeal, the 25 codes with highest number of PA requests and authorizations. The report is required to provide this data by

certain patient service lines. Transparency of this data will serve Minnesotans across the state by identifying areas that need to be further improved to help even more patients receive care.

In addition to Prior Authorization reform being of significant benefit to patients, this bill will undoubtedly help reduce provider burnout. Minnesota, like most other states, is facing a physician shortage – and we need to allow physicians to spend more time on patient care and not administrative tasks – to the greatest extent possible. Unnecessary Prior Authorizations should be eliminated, and the process should be more streamlined. This will serve our patients and reduce instances of interrupted care and wait times for them. This will also improve physician job satisfaction.

These challenges are not unique to Minnesota. The American Medical Association reports a record number of more than 70 Prior Authorization Reform bills being introduced in 28 different states. We hope that Minnesota will join a list of states passing this needed Prior Authorization reform in service of Minnesota patients.

Sincerely,

A handwritten signature in black ink that reads "Mary Krinkie". The script is fluid and cursive, with the first name "Mary" and last name "Krinkie" clearly distinguishable.

Mary Krinkie
Vice President of Government Relations
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A handwritten signature in black ink that reads "Danny Ackert". The script is fluid and cursive, with the first name "Danny" and last name "Ackert" clearly distinguishable.

Danny Ackert
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