



March 5th, 2024

Chair Matt Klein, Senator Morrison and Members
Senate Commerce & Consumer Protection Committee
St. Paul MN

Re: The Minnesota Pharmacy Alliance Support for Prior Authorization Reform – SF3532

Dear Chair Matt Klein, Senator Morrison and Members:

The Minnesota Pharmacy Alliance (MPA) represents over 1500 retail and health system pharmacists, pharmacy technicians, and student pharmacists across the state of Minnesota. Pharmacists and pharmacy staff care for patients in all healthcare settings throughout Minnesota. Pharmacies are where an overwhelming number of Minnesotans get their health care needs met every day in Minnesota. We are the health care provider a patient will see the most throughout the year and are the closest point of access for health care services for Minnesota patients. Pharmacies and pharmacists are also represented by the Minnesota Retailer's Association and grocery store-based pharmacies are also represented by the Minnesota Grocers Association.

We are writing to you today to convey our strong support for Representative Bahner and Senator Morrison's legislation, SF3532, that will reform the prior authorization system and process in Minnesota. It will prioritize a provider's choice of treatment and therapy and the patient, who may have complicating factors, over payer barriers to medications that greatly impact and save lives every day in Minnesota. The legislation will also positively impact the gross burden and real costs that prior authorizations have for pharmacies in Minnesota every day. Assuming the legislative language that specificizes a provider also includes a pharmacist, we

support all provisions in the bill language.

With each patient medication interaction there is almost always a transaction fulfillment that occurs and often a health insurance or pharmacy benefit manager requires a prescription to go through a prior authorization before the patient's provider prescribed medication is dispensed, delivered or administered in the State of Minnesota. For 1.4 million Minnesotans who receive their health insurance from the Department of Human Services Medical Assistance program, they too could benefit from this legislation. The DHS Formulary and drug benefit administration also employs a fairly robust prior authorization process.

Health plans collectively represent 3,165,144 individuals covered by health carriers licensed in Minnesota as of December 31, 2020. This includes fully and self-insured health insurance markets, but excludes state and federal public programs. Commercial fully-insured enrollees represent 38% of these enrollees, and self-insured represent 62%. For these enrollees, the health plans collectively received 114,879 drug prior authorization requests in 2020, for an average of 0.036 requests per enrollee. The health plans received notably more prior authorization requests per enrollee for the commercial fully-insured (0.071) than for self-insured enrollees (0.033).

Minnesota Department of Health Report, 2021

The legislation takes a practical approach to protecting patients with diagnosis and medication therapy prescribed by a provider for substance use disorder, mental health treatment, antineoplastic cancer, immunizations, health screenings for woman, pediatric hospice, neonatal abstinence for pediatric pain, generic drug or multisource brand name drugs rated as therapeutically equivalent, biologic drugs rated as interchangeable and services covered through a value-based arrangement. Often medication therapies prescribed for these diagnosis and conditions are quite specific and need to be administered to the patient in a very timely manner. Every day in Minnesota we see patient care denied or their care substantially delayed due to prior authorizations. This is not just a problem in Minnesota.

A 2022 AMA survey found that for patients whose treatment required prior authorization, 94% of physician respondents said the process led to delays in care for patients. 80% reported that delays due to prior authorization resulted in patients abandoning their recommended course of treatment either sometimes or more often. Of the physicians surveyed, 33% had seen a prior authorization requirement led to a serious adverse event for a patient, including 25% who reported prior authorization leading to a patient's hospitalization. Overall, 89% of respondents perceived prior authorization to have a somewhat or significantly negative impact on patient clinical outcomes.

American College of Physicians – 2/2024

Barriers within the existing system impede pharmacists' abilities to receive prior authorizations, disrupt workflows, and delay the dispensing of needed medications and the provision of pharmacists' patient care services to patients. Pharmacists need a means to have real-time access to information about prior authorizations and from providers' systems, which they currently do not have. Many prior authorization processes are time consuming, use extra staff to make sure payment is authorized and done, costly, and a burden to pharmacy providers. These processes often involve unreasonable wait times to receive the prior authorization (some

have taken one month or longer). For critically ill patients and those patients suffering from mental illness or substance abuse, such wait times could be onerous and potentially life altering.

However, this only describes the impact to care. The financial, systems and daily burden that prior authorization pose to Minnesota pharmacies has grown substantially in recent years. Minnesota pharmacies need real reform and this legislation will go a long way to help.

Despite widespread recognition of the problem, progress has been slow. In 2019, the [Council for Affordable Quality Healthcare \(CAQH\) reported](#) that PA's time per manual transaction increased from 16 minutes the previous year to 21 minutes, with a corresponding increase in cost from \$6.60 to \$10.92. In 2020, total spending on prior authorization increased to \$767 million, with 86% of the expenditure incurred by providers and pharmacies. PA requirements often undermine clinical decision-making and can negatively impact patient outcomes. This comes at a high cost for small and independent practices with limited administrative resources, particularly those in communities that may have reduced access to care.²

Whether a community independent, regional chain or big box chain, prior authorizations in these medication categories are having a negative impact for patients, providers and pharmacies across Minnesota. We urge you to pass SF3532 so that the health care provider and the patient are the primary consideration.

Sincerely,

Jason Miller, PharmD
Public Affairs Committee Co-Chair
Minnesota Pharmacists Association

Tamara Bezdicek, PharmD, BCPS
Co-Chair, Minnesota Pharmacy Alliance
Minnesota Society of Health-System
Pharmacists

Deborah Keaveny, RPh
Minnesota Independent Pharmacies