

April 1, 2025

The Honorable Susan R. Donovan
House Health and Human Services Committee, Chair
Rhode Island State House
82 Smith St., Providence, RI 02903

RE: AHIP Comments on:

- **H.5120, An Act Relating to Insurance – Benefit Determination and Utilization Review Act – OPPOSE**
- **H.5024, An Act Relating to Insurance – Benefit Determination and Utilization Review Act – OPPOSE**
- **H.5623, An Act Relating to Insurance – Accident and Sickness Insurance Policies – OPPOSE**

To Chair Donovan and Members of the House Health and Human Services Committee,

AHIP appreciates the opportunity to provide comments on:

- **H.5120**, which would prohibit prior authorization (PA) requirements for any admission, item, service, treatment, or procedure ordered by an in-network primary care provider, with certain exceptions.
- **H.5024**, which would prohibit PA and concurrent review for specified prescription medicine used in the treatment of alcohol or opioid use disorder.
- **H.5623**, which would prohibit PA for a new episode of rehabilitative care for twelve visits as well as PA for rehabilitative care for chronic pain for ninety days.

Unfortunately, these bills would undermine patient safety and affordability. As a result, AHIP respectfully opposes these bills. We are committed to continued collaboration with the Committee on solutions that promote health care quality, access, and affordability for Rhode Islanders.

Prior authorization protects patient safety. PA is a proven tool to ensure patients receive safe, effective, and evidence-based care. It serves as a critical safeguard to prevent unnecessary or inappropriate treatments that could result in harm. For example:

- **Preventing low-value or inappropriate services.** PA helps ensure patients do not receive services that do not improve outcomes and/or that can lead to more unnecessary services or treatments, potential harms and avoidable costs. PA can also ensure that appropriate alternatives are used, consistent with evidence-based guidelines and providers' own recommendations.¹
- **Preventing dangerous drug interactions.** PA helps prevent dangerous drug interactions and ensures medications and treatments are safe, effective, and appropriate for a patient's specific condition.
- **Ensuring drugs are used as clinically indicated.** PA acts as a guardrail to ensure medications are not used for clinical indications other than those approved by the Food and Drug Administration.

¹ [Prior Authorization Promotes Evidence-Based Care That Is Safe and Affordable for Patients](#). AHIP. November 2023.

Medical knowledge doubles every 73 days² and, to keep up with these changes, studies show primary care providers would need to practice medicine nearly 27 hours per day.³ This is why it is so important that health plans, providers, and hospitals work together to ensure treatments delivered to patients align with nationally recognized, evidence-based clinical criteria, protecting patients from unnecessary, potentially harmful drugs and services.

Broadly exempting certain providers or services from PA undermines critical patient safeguards and increases the risk of patients experiencing low-value and inappropriate treatments. Monitoring provider quality performance is essential to ensuring patients receive safe, evidence-based care, and PA provides a critical layer of support and oversight. If this monitoring is removed, as it is in H.5120, H.5024, and H.5623, Rhode Island patients will face increased risks of receiving inappropriate or low-value services that are not consistent with evidence-based standards, leading to potential harm.

With the exponential growth of medical knowledge as mentioned above, H.5120's overly broad elimination of PA for one class of providers incorrectly presumes all health services ordered and performed by primary care providers are clinically appropriate. A fundamental tenant of the PA process is ensuring that prescribed care matches the most recent clinical evidence. By eliminating PA for primary care providers, H.5120 leaves patients vulnerable to care that does not match current medical knowledge. We have similar concerns with H.5024 and H.5623's prohibition on PA for specified medications as well as rehabilitative care.

Prior authorization helps reduce patients' health care costs. In addition to promoting safe, evidence-based care, PA helps ensure coverage is as affordable as possible. At a time when experts agree that roughly a quarter of all medical spending is wasteful or low-value, PA is instrumental in combating rising costs by addressing overuse and low-value treatments that cost the U.S. \$340 billion annually.⁴ Eighty-seven percent of doctors have reported negative impacts from low-value services or treatments⁵ and an AHIP clinical appropriateness project with John Hopkins found that about 10% of physicians provided services or treatments inconsistent with consensus and evidence-based standards.⁶

By guiding patients to the right care, at the right time, in the right setting, PA reduces wasteful spending and helps ensure health care dollars are used efficiently, while protecting patients from low-value or inappropriate services.

It is important for policymakers to consider how prohibitions on PA like those contained in H.5120, H.5024, and H.5623 could result in higher costs for Rhode Island patients and purchasers of health care. Two recent studies quantify these costs for policymakers:

- A Milliman study found that removing PA could raise premiums by **\$20.10 to \$29.52** per member per month (PMPM) nationwide, totaling \$43–\$63 billion annually in the commercial market, threatening affordability in an already costly system.⁷
- In Massachusetts, a separate study added an examination of the “sentinel effect” of eliminating PA to quantify the costs related to requests for authorizations that were previously unsubmitted

² Densen, Peter. *Challenges and Opportunities Facing Medical Education*. Transactions of the American Clinical and Climatological Association 2011.

³ Porter J, Boyd C, Skandari MR, Laiteerapong N. *Revisiting the Time Needed to Provide Adult Primary Care*. Journal of General Internal Medicine. January 2023.

⁴ *Low-Value Care*. University of Michigan V-BID Center. February 2022.

⁵ Ganguli, Ishani. *Characteristics of Low-Value Services Identified in US Choosing Wisely Recommendations*. JAMA Internal Medicine. February 1, 2022.

⁶ *Clinical Appropriateness Measures Collaborative Project*. AHIP. December 2021.

⁷ Busch, Fritz S., and Stacey V. Muller. *Potential Impacts on Commercial Costs and Premiums Related to the Elimination of Prior Authorization Requirements*. Milliman. March 30, 2023.

when PA was in place because providers did not expect an approval. In that study, the estimated premium increases jumped to \$51.19 to \$130.28 PMPM if PA were eliminated entirely.⁸

Furthermore, we urge the Committee to refrain from passing H.5120 until the impact on Rhode Island's health care system is fully understood. It is important to know that policymakers in Vermont, which passed a similar bill last year, are still trying to determine the impact their law will have on their state's affordability, health care utilization, and health outcomes. The Vermont law is not yet fully effective and the Vermont legislature is currently considering additional legislation⁹ this session to clarify some critical pieces of that original law, including clarification of the definition of a "primary care provider."

When signing the Vermont legislation (H.766)¹⁰ into law, Governor Scott issued a letter¹¹ "directing the Department of Financial Regulation and Agency of Human Services to "jointly study and report to [the Governor] on the impacts of the bill on health care outcomes, costs and insurance rates; as well as how this effort fits into [Vermont's] overarching health care reform goals." Vermont consumers and policymakers await this information on whether the effort advanced or impeded efforts to improve outcomes and costs.

Health plans are leading the way to further simplify and improve prior authorization. As part of their commitments¹² to improve prior authorization for patients and providers, health insurance plans have been taking significant steps, including:

- *Making significant investments to promote and support provider electronic prior authorization (ePA) adoption.* Despite health plans offering the capability for ePA, 60% of prior authorization requests for medical services are still submitted manually (via phone, fax, or mail).¹³ ePA has shown that it can streamline requests, shorten decision times and lower administrative burdens on providers and plans alike. Its adoption remains a major opportunity for improving prior authorization.
- *Streamlining PA for full treatment courses.* Health plans have streamlined PA for common conditions like musculoskeletal disorders.
- *Waiving PA for high-performing providers.* Health plans are implementing voluntary programs to waive PA requirements for providers with a demonstrated track record of practicing evidence-based care and for providers participating in risk-based payment contracts.

AHIP Recommendation. Due to the concerns outlined above regarding patient protection and affordability, **AHIP urges the Committee to vote no on H.5120, H.5024, and H.5623.** We encourage policymakers to collaborate with health plans, providers, and hospitals on solutions that focus on patient safety and affordability. AHIP and its members stand ready to work with you on this important issue.

Sincerely,

America's Health Insurance Plans

⁸ Busch, Fritz S. and Peter Fielek. *Potential Impacts on Costs and Premiums Related to the Elimination of Prior Authorization Requirements in Massachusetts*. Milliman. November 29, 2023.

⁹ <https://legislature.vermont.gov/bill/status/2026/H.31>

¹⁰ <https://legislature.vermont.gov/Documents/2024/Docs/ACTS/ACT111/ACT111%20As%20Enacted.pdf>.

¹¹ <https://governor.vermont.gov/press-release/action-taken-governor-phil-scott-legislation-may-20-2024>.

¹² *How Health Insurance Provider Are Delivering on Their Commitments*. AHIP. July 2022.

¹³ *AHIP 2022 Survey on Prior Authorization Practices and Gold Carding Experiences*. AHIP. November 14, 2022.

AHIP is the national association whose members provide health care coverage, services, and solutions to hundreds of millions of Americans every day. We are committed to market-based solutions and public-private partnerships that make health care better and coverage more affordable and accessible for everyone. Visit www.ahip.org to learn how working together, we are Guiding Greater Health