STATE of RHODE ISLAND
Executive Department
GOVERNOR'S COMMISSION ON DISABILITIES
John O. Pastore Center, 41 Cherry Dale Court
Cranston, RI 02920-3049
[voice] (401) 462-0110 [tty] via RI Relay 711 [fax] 462-0106
[e-mail] elisabeth.hubbard@gcd.ri.gov [website]
www.disabilities.ri.gov

Legislative Impact Statement

To: Representative Susan R. Donovan, Chair
From: Elisabeth Hubbard, Executive Secretary
Re: 25 HOUSE 5120 AN ACT RELATING TO INSURANCE -- BENEFIT DETERMINATION AND UTILIZATION REVIEW ACT

Wednesday, April 23, 2025

The Governor's Commission on Disabilities' Legislation Committee has developed a Legislative Impact Statement on the bill listed below. The Commission would be pleased to present testimony to the committee. Please contact me (462-0110) if testimony is desired or for additional information.

Introduced by Representative Potter
This bill would prohibit health insurance providers from requiring prior authorization requirements for any service ordered by an in-network primary care provider.

Prior authorization is the practice in which a health insurance provider requires that a health care provider and patient seek permission from the patient's insurer to cover recommended treatment before the patient receives the treatment. Until the prior authorization is approved, the insured patient does not know if their insurance will cover the treatment the health care provider is recommending as a treatment for their condition. This results in a delay in treatment while the patient and provider wait to hear from the insurance company. This can be very detrimental to the patient, particularly in acute cases where the patient needs treatment as soon as possible.

A 2024 survey of physicians by the American Medical Association found that prior authorization requirements delay necessary care, but also increase healthcare costs. Of the physicians surveyed about prior authorization requirements:

- 77% reported ineffective initial treatments; for example, due to step-therapy requirements.
- 73% said prior authorization leads to additional office visits.
- 47% reported immediate care or emergency department visits.
- 29% reported a prior authorization has led to a serious adverse event for a patient.
- 33% reported hospitalizations as a result of prior authorization requirements.

These factors lead to increased costs for insurers, making them not just a barrier to care, but an ineffective cost-control measure.
In addition, these added costs can trickle down to employers. 58% of the physicians surveyed reported that prior authorization requirements have affected a patient's job performance.
This bill is a fair compromise for the insurance company industry. It is limited to prior authorization within an insurer's network. As a result, insurers are not forced to reimburse providers whom they have not already approved to be in their network. The bill also clearly defines the terms "primary care provider" and "prior authorization" making it clear when this requirement would be in effect.
For these reasons, we find this bill beneficial to people with disabilities.

cc: Representative Potter

Rico Vota, Governor's Office of Legislative Affairs