

A photograph of two healthcare workers in a clinical setting. They are wearing blue scrubs, white surgical masks, and hairnets. The worker in the foreground is pointing at a large monitor on the left side of the frame. The monitor displays a medical image, possibly an X-ray or ultrasound. The background is slightly blurred, showing other people in the room. The overall lighting is dim, with a blue tint.

PRIOR AUTHORIZATION

SB 2280

HOUSE IBL COMMITTEE 3/17/25

Duncan B. Ackerman, MD

- Orthopedic Surgeon
- President -- The Bone & Joint Center, North Dakotas largest independent orthopedic surgery practice
- Past Chair for State Legislative and Regulatory Issues Committee for The American Academy of Orthopedic Surgeons



Consensus in 2018 to make improvements in PA process....AMA physician survey results indicate failure of improvement



An association of independent Blue Cross and Blue Shield companies



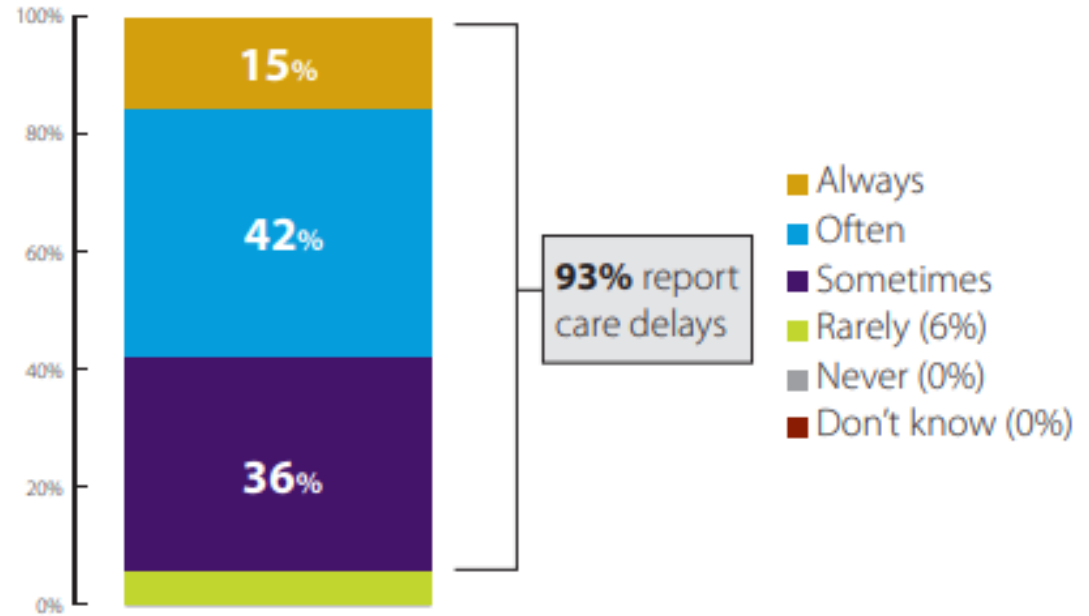
Consensus Statement on Improving the Prior Authorization Process

Prior Authorization Patient Impact

93% report care delays

Care delays associated with PA

Q: For those patients whose treatment requires PA, how often does this process delay access to necessary care?



Percentages do not sum to 100% due to rounding.



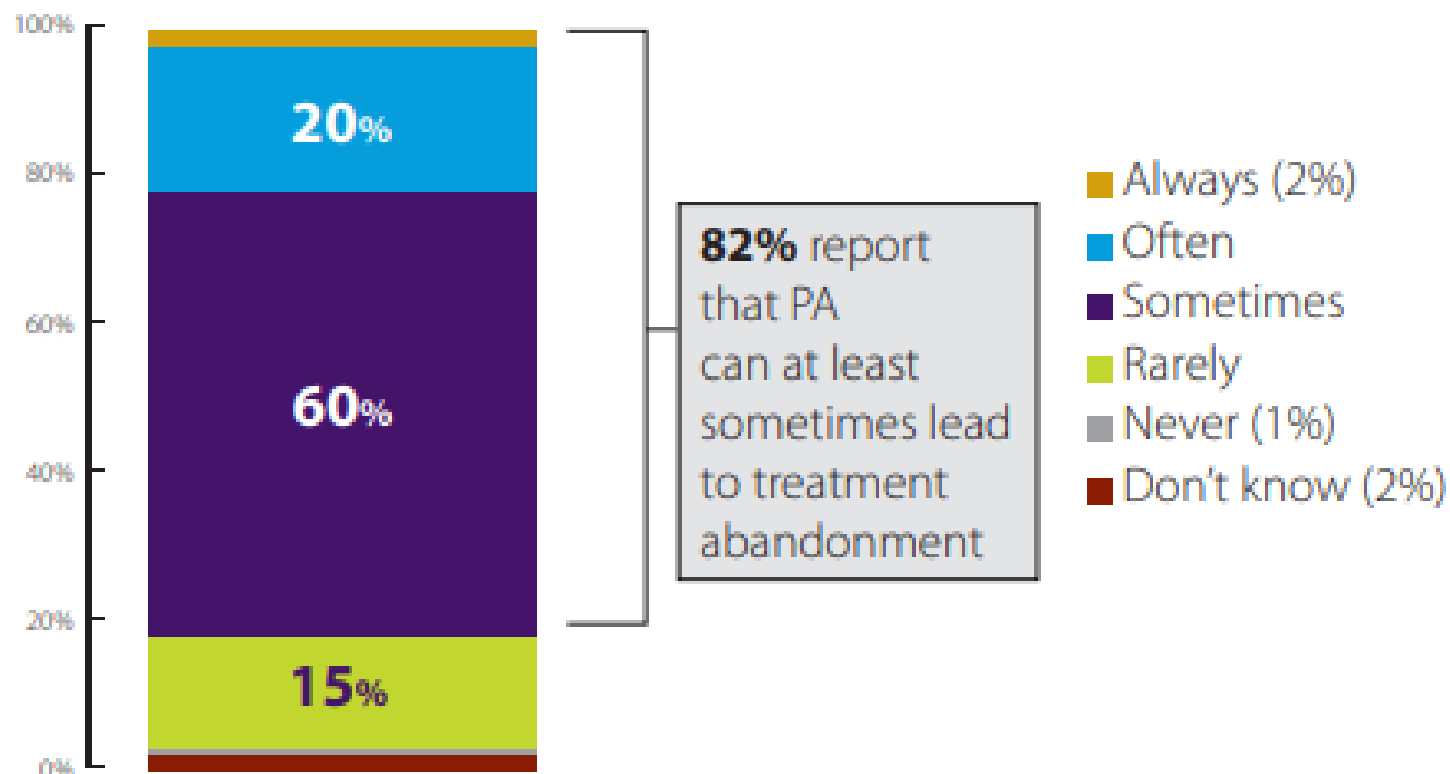
2024 AMA prior authorization physician survey

Prior Authorization Patient Impact

82% report PA can lead to treatment abandonment

Treatment abandonment due to PA

Q: How often do issues related to the PA process lead to patients abandoning their recommended course of treatment?

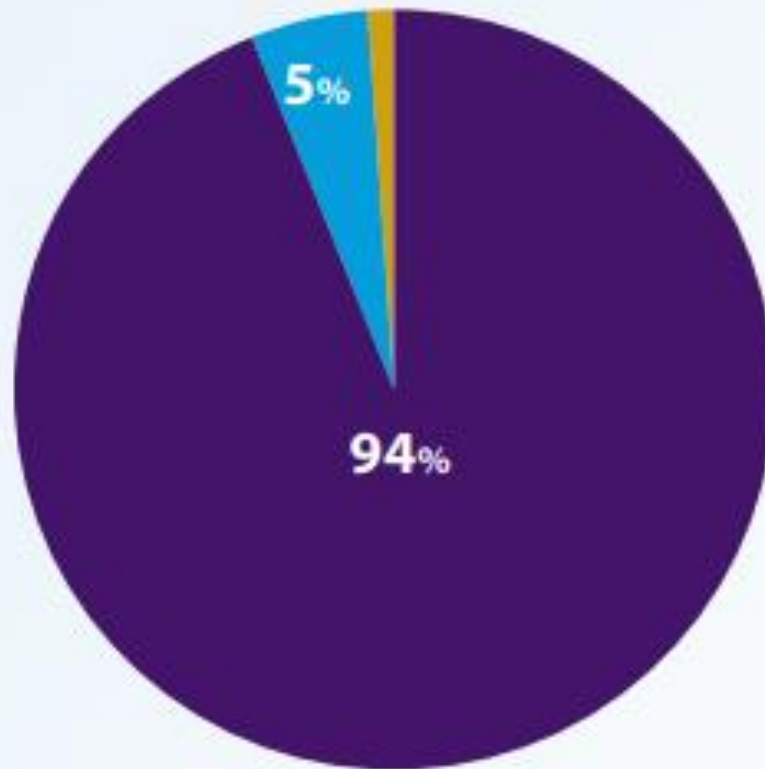


Prior Authorization Patient Impact

94% report
somewhat or
significant
patient impact

Impact of PA on clinical outcomes

Q: For those patients whose treatment requires PA, what is your perception of the overall impact of this process on patient clinical outcomes?



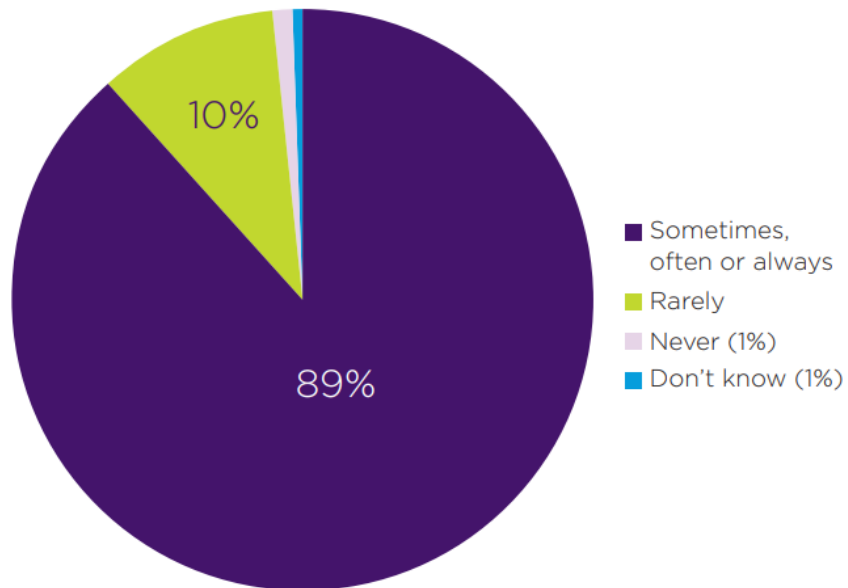
Almost 1 in 3 (31%) physicians report that PA criteria are rarely or never evidence-based

- Somewhat or significant **negative** impact
- No impact
- Somewhat or significant **positive** impact (1%)

Continuity of patient care

CS agreement Encourage sufficient protections for continuity of care during a transition period for patients undergoing an active course of treatment when there is a formulary or treatment coverage change or change of health plan that may disrupt their current course of treatment.

Survey An overwhelming majority (**89%**) of physicians report that PA interferes with continuity of care.



Percentages do not sum to 100% due to rounding.

Q: How often does the PA process interfere with the continuity of ongoing care (e.g., missed doses, interruptions in chronic treatment)?

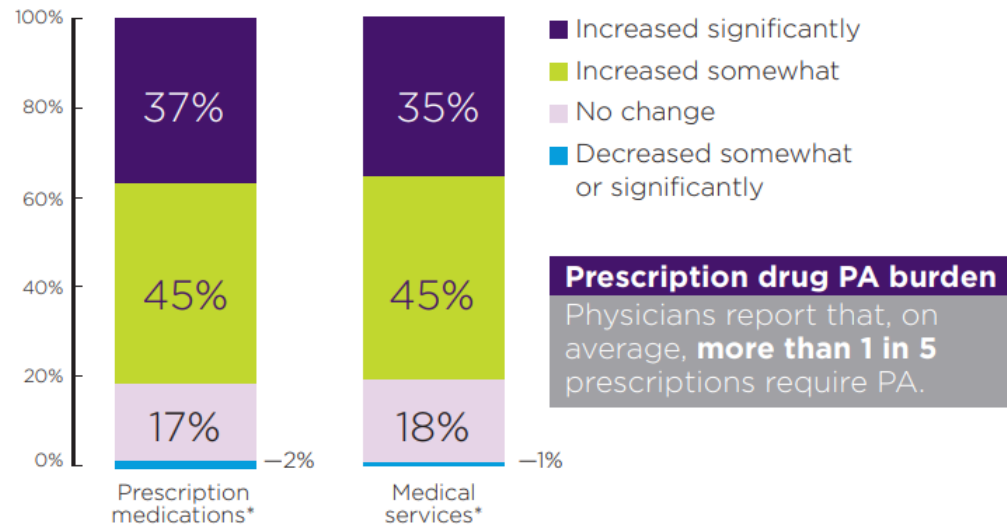
89% of physicians report that PA interferes with continuity of care

2023 AMA survey

PA program review and volume adjustment

CS agreement Encourage revision of PA requirements, including the list of services subject to PA, based on data analytics and up-to-date clinical criteria.

Survey A strong majority (**81%[#] and 80%**, respectively) of physicians report that the number of PAs required for prescription medications and medical services has increased over the last five years.



*Percentages do not sum to 100% due to rounding.

#Percentages do not sum to 81% due to rounding.

Q: How has the number of PAs required for prescription medications/medical services used in your patients' treatment changed over the last five years?

81% of physicians report number of PAs required for prescription medication and medicals services (80%) has increased over past 5 years

Prior Authorization (PA) Patient Impact



More than 1 in 4 physicians (29%)

report that PA has led to a **serious adverse event** for a patient in their care.

23%

of physicians report that PA has led to a patient's hospitalization

18%

of physicians report that PA has led to a life-threatening event or required intervention to prevent permanent impairment or damage

8%

of physicians report that PA has led to a patient's disability/permanent bodily damage, congenital anomaly/birth defect or death

23% report PA led to hospitalization

18% report PA led to life threatening event, or required intervention to prevent permanent impairment

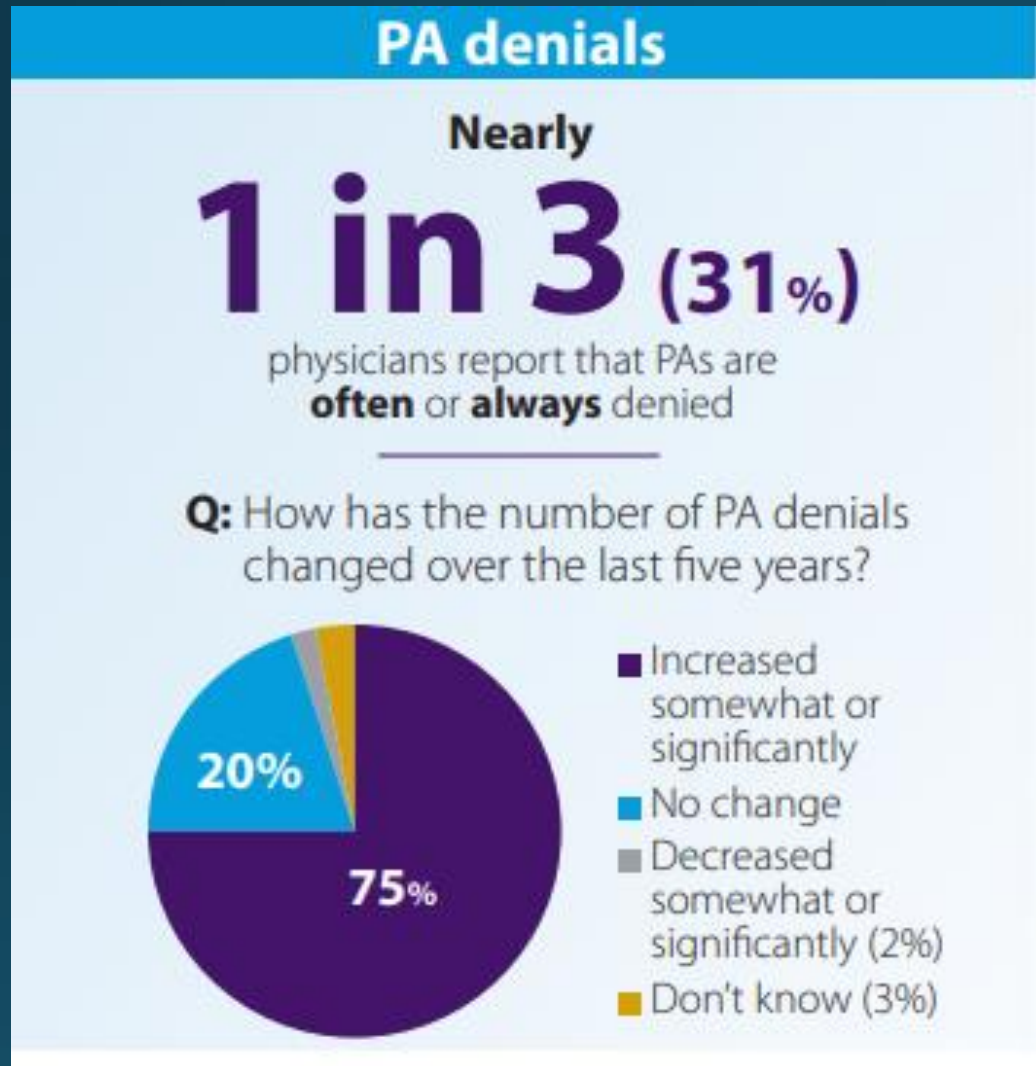
8% report PA to patient disability or permanent body damage

Prior Authorization (PA) Patient Impact

BJC Patient impact

Huge Variability in Denial of Musculoskeletal Services

Many Carriers have fail 1st mechanisms requiring, potentially unnecessary treatment



Prior
Authorization
Physician
Impact

On average, practices complete



PA's per physician, per week

- The Bone & Joint Center Impact
- In 2024 BJC worked with 136 different insurance plans, each with different PA process and guidelines



•The Bone & Joint Center Impact



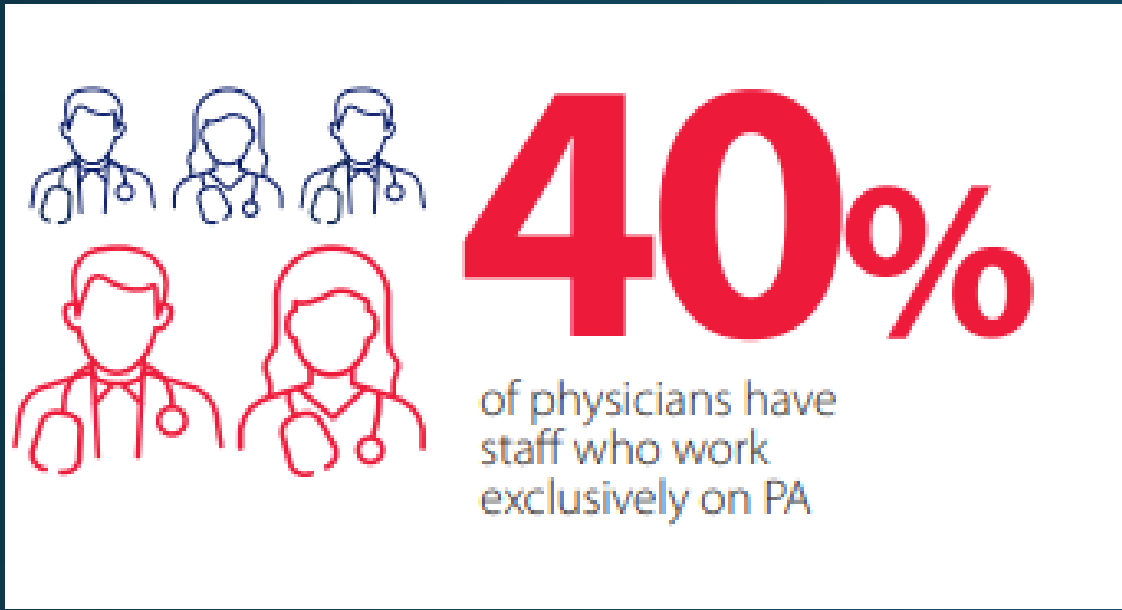
- 13,438 requests in 2024
- 258/week
- 52.8/day (254.5 work days in 2024)

Physicians and their staff spend



each week completing PAs

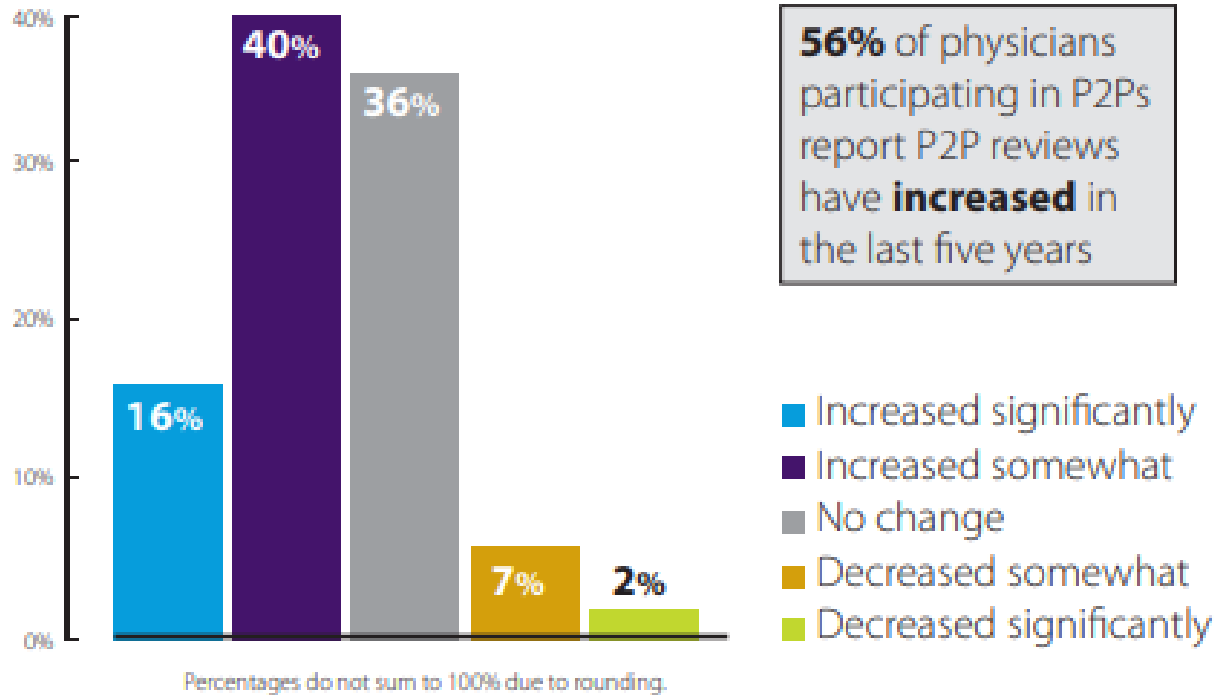
- The Bone & Joint Center Impact
- 22 Clinicians x 13 hours/week = 286 hours



- The Bone & Joint Center (BJC) Impact
- 8 FTEs to complete PAs/scheduling cost BJC \$350,000/year.

Peer-to-Peer (P2P)

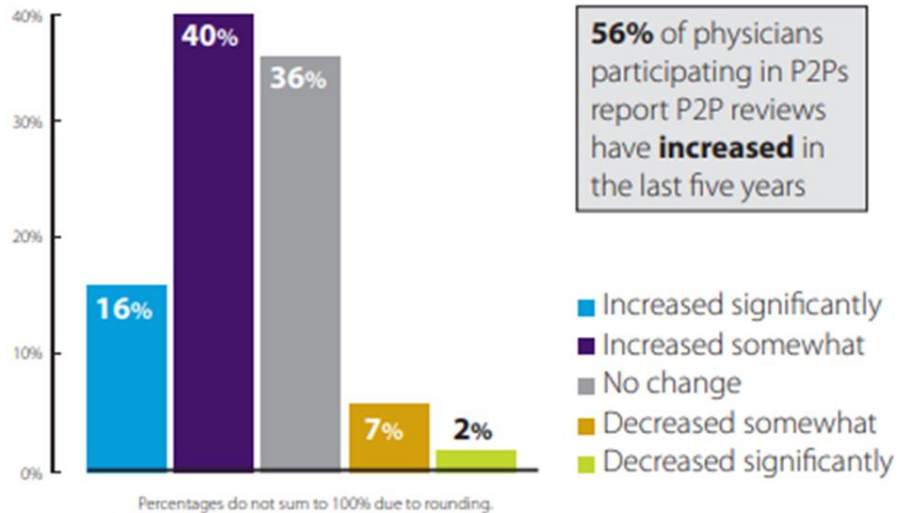
Q: How has the frequency of peer-to-peer reviews during the PA process changed over the last five years?



- The Bone & Joint Center (BJC) Impact
- \$350,000 does not include loss of time from patient care required to perform Peer to Peer review.
- Approximately 25-30/month

Peer-to-Peer (P2P)

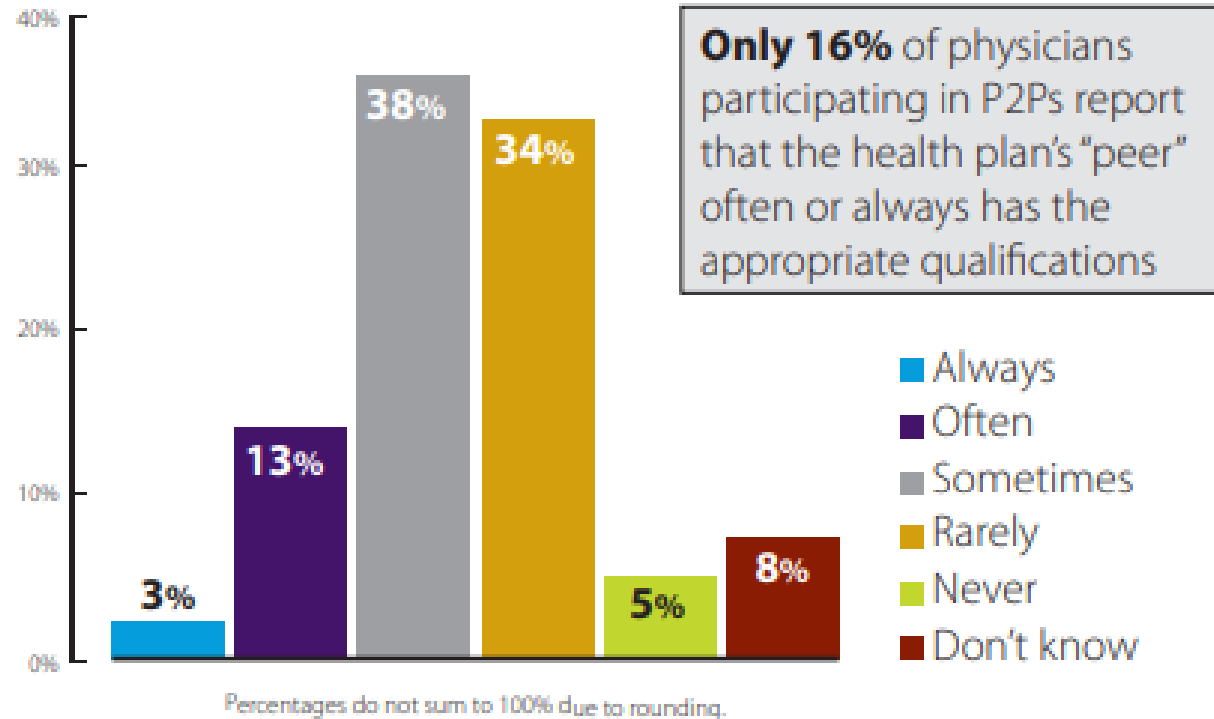
Q: How has the frequency of peer-to-peer reviews during the PA process changed over the last five years?



- 30 P2P/mo x 20 minutes minimum to complete Peer to Peer = 600 minutes
- 600 / 15 min avg patient appt time = 40 appointment slots lost to P2P process per month
- 480 patient appointment slots a year lost to Peer to Peer

Peer-to-Peer (P2P)

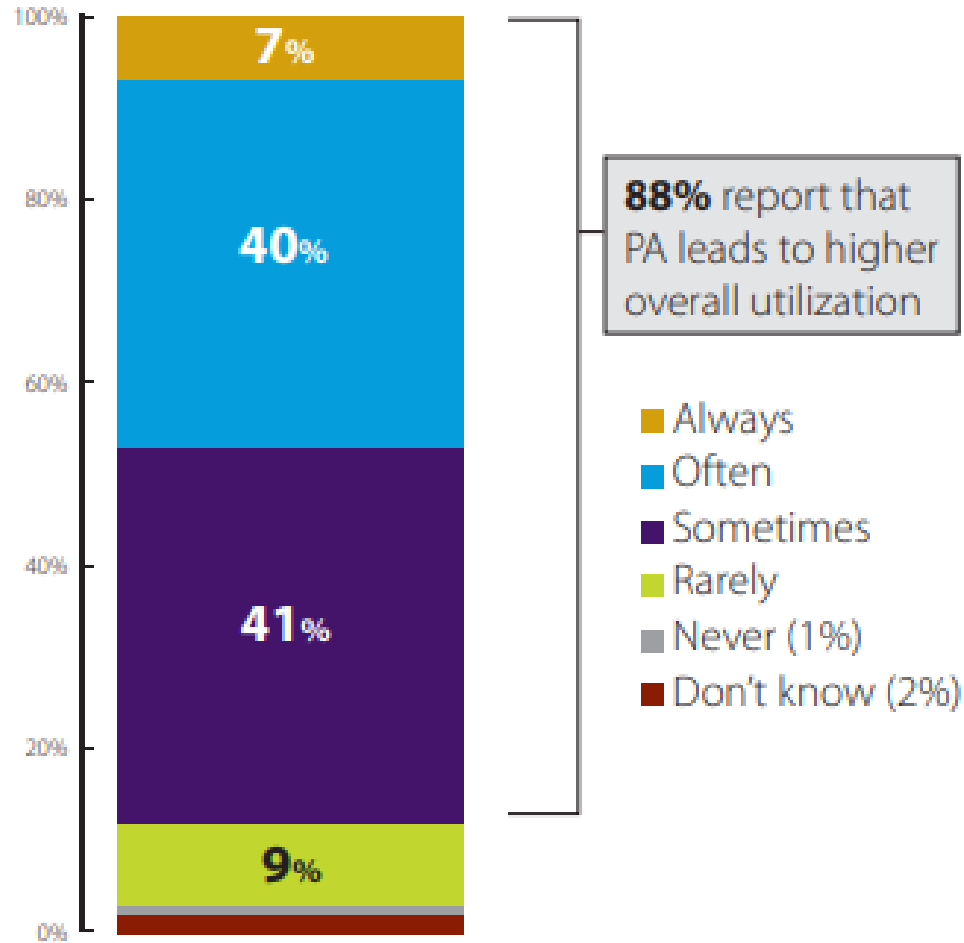
Q: How often does the health plan's "peer" have the appropriate qualifications to assess and make a determination regarding the PA request?



BJC experience

Rarely does the "Peer" have appropriate qualifications to have an educated conversation about musculoskeletal care

Q: Please consider how your patients' utilization of health care resources is impacted by the PA process. In your experience, how often does the PA process lead to higher overall utilization of health care resources?



Q: In which of the following ways has the PA process led to higher overall utilization of health care resources for patients in your care?

77%

report ineffective initial treatment (e.g., due to step therapy requirements)

73%

report additional office visits

47%

report immediate care/ER visits

33%

report hospitalizations

Employer impact



58% of physicians with patients in the workforce report that PA has impacted patient job performance

[AMA prior authorization \(PA\) physician survey | AMA](#)

- Would also argue that PA can result in delayed return to work, and lost wages for patients injured off the job
- PA, step therapy (fail first) has potential to increase cost for WSI with delayed return to work

Real World implications of care delayed by PA

Real-world clinical and economic impacts of delayed rotator cuff repair surgery in Japan: analysis of a large claims database



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Orthopedics

Direct and indirect economic burden associated with rotator cuff tears and repairs in the US

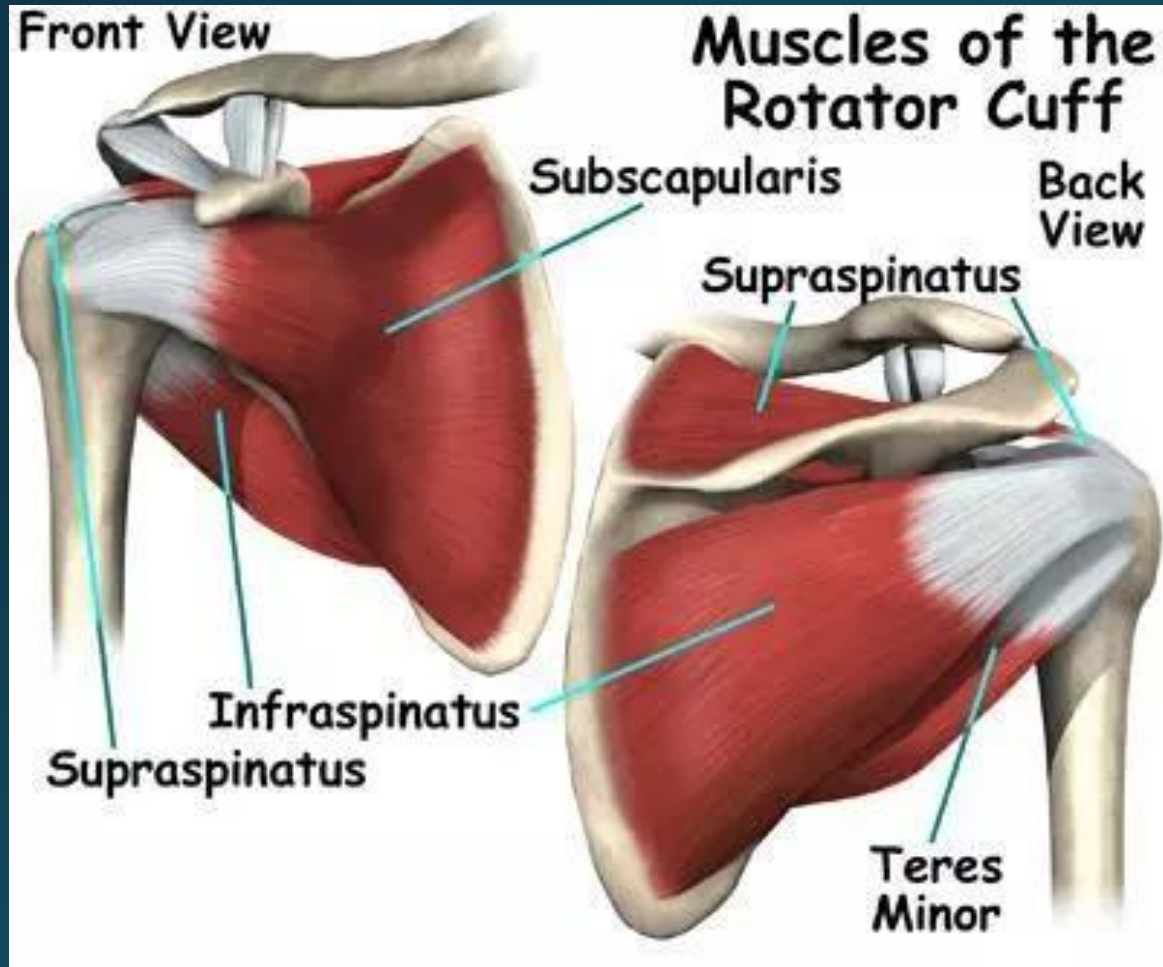
Niraj Parikh , Diane J. Martinez, Isabelle Winer, Laurie Costa, Deeksha Dua & Paul Trueman

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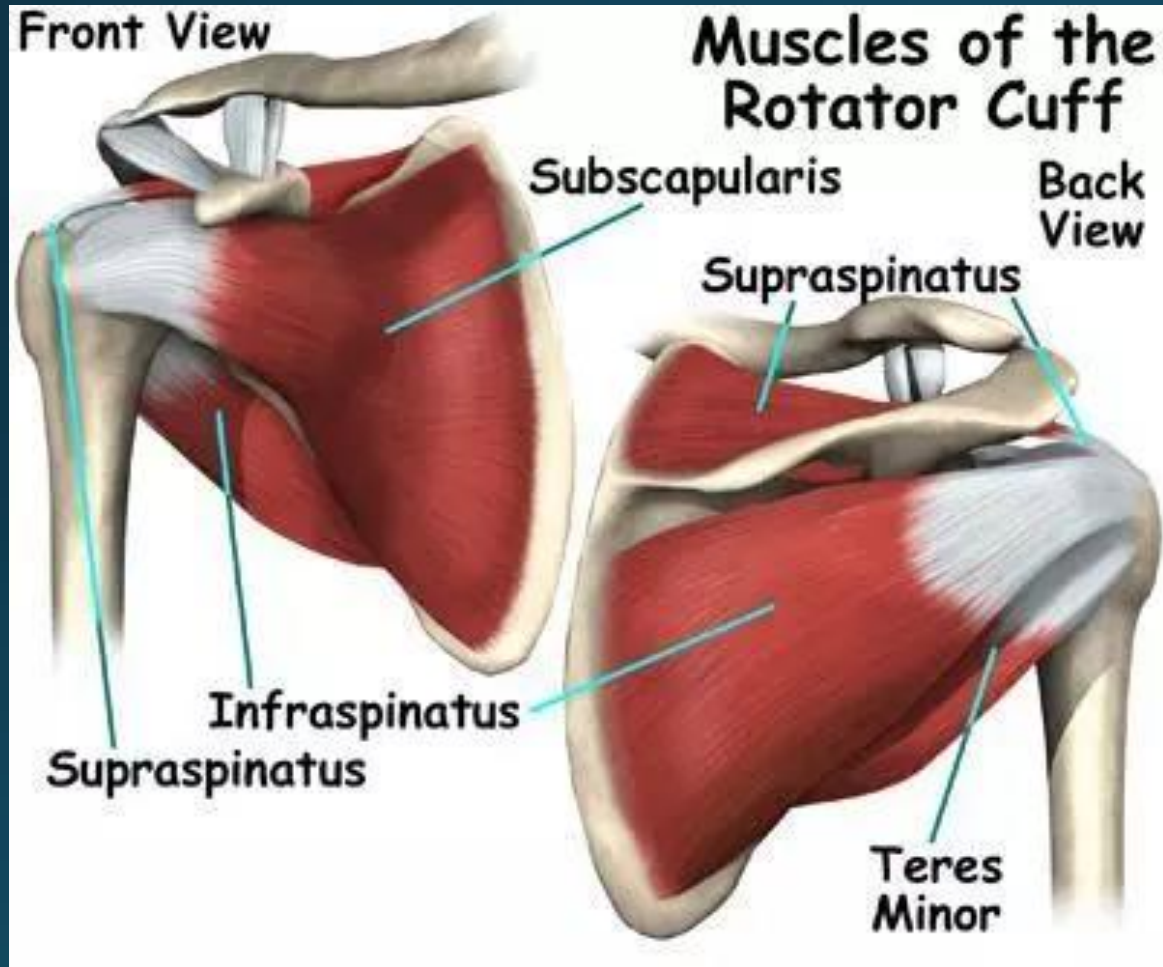


Delayed Rotator Cuff Surgery Implications



- Delayed rotator cuff surgery leads to:
- Increased overall cost (avg addition spend \$8524 for delayed repair of full tear)
- Increase risk of repeat surgery
- Increase risk of complications
- Increase risk of revision surgery

Delayed Rotator Cuff Surgery Implications



- Delayed rotator cuff surgery leads to:
- Loss of productivity and Income
- Financial Strain
- Job Security Risk
- Productivity Loss

Commentary on previous testimony

- Medical Knowledge doubles every 73 days – primary care providers would need to practice medicine nearly 27 hours per day.
- Question – how many physicians and health care professionals that deliver patient care are involved in PA decision making at the insurance company level??
- My opinion – the patient's physician is best suited to make clinical decision regarding care
- 10% of physicians provided care inconsistent with consensus and evidence-based standards.
- Which means...90% of physicians are practicing according to guidelines....
- Why do we have blanket PA rules?

Recommended Read



ADVOCACY RESOURCE CENTER

Advocating on behalf of physicians and patients at the state level

Combatting Misconceptions about Prior Authorization

Prior Authorization Does NOT Lower Costs

Prior authorization is expensive for physicians and payers.

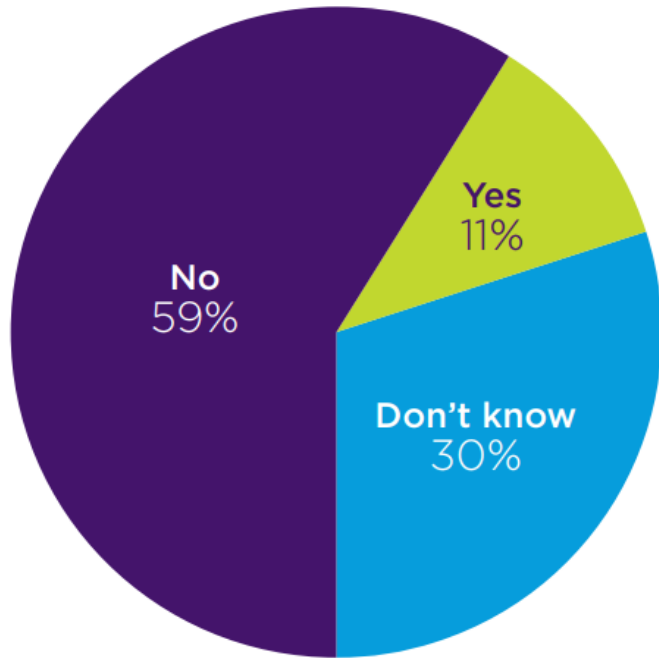
SB 2280

- Aligns standards seen in other states
- Improves timeline to decisions on Prior Authorization
- Improves Peer to Peer process by requiring same specialty review
- Encourages engagement about future improvements...

Selective application of PA

CS agreement Encourage the use of programs that selectively implement PA requirements based on stratification of health care providers' performance and adherence to evidence-based medicine.

Survey Only **11%** of physicians report contracting with health plans that offer programs that exempt providers from PA.



Q: Do any of the health plans with which you contract offer programs that exempt physicians from PA requirements?

Future Improvements

“Gold Card” programs -- providers that are good stewards of health care dollars and consistently adhere to evidence-based guideline are subject to less PA requirements.

A photograph of two healthcare workers in a clinical setting. They are wearing blue scrubs, white surgical masks, and hairnets. The worker on the left is pointing at a large monitor displaying a medical scan. The worker on the right is looking at the monitor. The background is slightly blurred, showing other medical equipment.

Vote YES on SB 2280

Thank You

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