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SB 2280: Modernizing Prior Authorization in North Dakota



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What is Prior Authorization?



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Prior Authorization Defined

- A cost-control procedure used by insurance companies
- Requires a patient to get approval from the insurance company before receiving a health care procedure or filling a prescription

PA's impact to patient care and experience

- When used properly, PA *can control costs* so that patients receive medically necessary care, but is *burdensome and overused*

Decreases overall health care costs

- Harmful impacts of PA

- Delays in treatment
- Negative patient experience
- Potential for treatment abandonment
- Barriers to value-based care models
- Administrative burden on providers

Decreases health outcomes & patient experience

Negatively impacts well-being of providers

PA's impact to Essentia Health

- Essentia complies with over 470 contracts, dedicating 65 staff FTE to PA activities
- Without standardized regulations on PA:

Payers require different definitions of “medically necessary care”

There are no consistent timelines for PA decision or recourse for delay (e.g., can range from 3 to 21 days)

No transparency requirements regarding PA denials or supporting documentation requirements

Many payors do not allow electronic PA submissions; instead, they require submissions to be made by phone or fax.

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Prior Authorization Reform Efforts



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The Need for PA Reform

Bills in 30 states show momentum to fix prior authorization

MAY 10, 2023 • 4 MIN READ By Kevin B. O'Reilly, N

REGULATORY
Legislators urge CMS to finalize prior authorization reforms—and go further

By Paige Minemyer · Jun 22, 2023 3:50pm

Pennsylvania prior authorization reform bill signed into law

Andrew Cass - Monday, November 7th, 2022

Medical Services Prior Authorization Medicare Advantage


Jan 27, 2023 - Health

Congress' prior authorization power play

By BEN LEONARD and ERIN SCHUMAKER | 06/21/2023 02:00 PM EDT

States jump into fight over prior authorization requirements

Why insurers are scaling back prior authorizations

NONA TEPPER  

Apr 07, 2023 05:00 AM

PAYERS
House passes bill to install electronic prior authorization in Medicare Advantage plans

By Robert King · Sep 14, 2022 1:27pm

December

 Arielle Dreher

CMS proposes streamlining, automating prior authorizations

NONA TEPPER  

PAYERS
CMS proposes certain payers implement electronic prior authorization systems by 2026

By Robert King · Dec 6, 2022 5:45pm

Prior Authorization Medicare Advantage Affordable Care Act (ACA) Interoperability

UnitedHealthcare cutting 20% of prior authorizations

Andrew Cass - Thursday, March 30th, 2023

States Continue to Tackle PA Reform

- There are roughly 40 states that have passed PA reform legislation, including:

Alabama	Arkansas
Georgia	Mississippi
Idaho	Oklahoma
Indiana	Tennessee
Iowa	Texas
Louisiana	Virginia
Kentucky	Wyoming

2023 Proposed PA Reform in North Dakota

- ✓ Imposing PA decision timelines
 - 2 business days for nonurgent
 - 24 hours for urgent
- ✓ Auto-authorization for noncompliance of timelines
- ✓ Transparency & reporting requirements
- ✓ “Same or similar specialty” review requirement
- ✓ Implementation of e-PA process



Included in SB 2389 as originally introduced

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SB 2280



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SB 2280 Key Provisions

- Decision Timelines
- Auto-authorization for noncompliance
- Licensed physician review requirements
- Reporting requirements
- Standardized definitions and processes

SB 2280 Key Compromises

Issue	As introduced	Engrossed version
Decision timelines	24 hours / 2 business days	72 hours/7 calendar days
Review standards	Licensed physician of “same or similar” training	Licensed physician w/ experience treating condition
Peer review requirements	Required consultation before denial	REMOVED
Reporting requirements	Annual reporting to NDIC	Enhanced reporting measures to NDIC
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Questions

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