



2025 SB 2280
Senate Industry and Business Committee
Senator Jeff Barta, Chairman
February 5, 2025

Chairman Barta and members of the Senate Industry and Business Committee, I am Tim Blasl, President of the North Dakota Hospital Association (NDHA). I am here to testify in support of Senate Bill 2280. I ask that you give this bill a **Do Pass** recommendation.

The North Dakota Hospital Association represents 46 hospitals in the state. These members include large hospitals, critical access hospitals, and specialty hospitals. Our members appreciate the opportunity to speak to you about their concerns with the prior authorization process used by health plans. We support the goals of the bill which are to standardize the prior authorization process and align it with best practices.

Prior authorization is a cost-control measure that requires health care professionals to obtain health plan approval before delivery of the prescribed treatment, test, or medical service to qualify for payment. While prior authorization can play an important role in ensuring the necessity of a health care service or prescription and containing costs, overly burdensome requirements can prevent or delay patients' access to necessary care. Overly strict prior authorization requirements also require health care providers to spend inordinate amounts of time to comply with these requirements, which drives increased administrative costs and is rated as one of the top reasons for provider burnout. This is why states around the country have adopted reforms that ensure prior authorization is used judiciously, efficiently, and in a manner that prevents cost-shifting onto patients and health care providers.

Prior authorization requires patients or their providers to secure pre-approval as a condition of payment or insurance coverage of services. Patients experience significant health impacts, such as delayed treatment, denied care, second-choice therapy, and disease progression, because of overly restrictive prior authorization processes. Hospitals

are committed to policies that reduce cost while preserving quality health care but they do not support practices that improperly delay or deny care and undermine patient access.

We support the bill's provisions to reduce overall healthcare provider and patient burden through improvement to prior authorization practices. The bill ensures timely access to care by requiring insurers to respond to a prior authorization request within two working days for nonurgent circumstances and within 24 hours for urgent health care services. It improves the process by requiring a physician who makes an adverse decision to notify the patient's physician before making an adverse decision and be available to discuss the basis for denial prior to a peer-to-peer review. It would ensure that adverse determination appeals are reviewed by a physician in the same specialty as the treating physician. We also support requiring prior authorization to remain valid for 12 months for patients with chronic and long-term conditions. It will also improve transparency by requiring data reporting annually, including the total number of prior authorization requests received; number of authorizations issued; number of adverse determinations issued; number of adverse determinations reversed on appeal; and the reasons an adverse determination was issued.

Thank you for your consideration of this bill. We ask that you give it a **Do Pass** recommendation.

To provide you with more information about how prior authorization practices affect hospitals in day to day care of patients, I would now like to introduce Marcus Lewis, CEO, of First Care Health Center in Park River, ND.

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association