



Essentia Health

Senate Industry and Business Committee

SB 2280

February 5, 2025

Chairman Barta and committee members:

Essentia Health submits this testimony in strong support of SB 2280, a bill that creates a regulatory framework that ensures prior authorization is used consistently, efficiently, and in a manner that ensures access to timely care.

Essentia Health is an integrated health system serving patients in Minnesota, North Dakota, and Wisconsin. Headquartered in Duluth, Minnesota, Essentia Health combines the strengths and talents of more than 15,500 employees, including more than 2,350 physicians and advanced practitioners, who serve our patients and communities at our 14 hospitals, 80 clinics, six long-term care facilities, six assisted living and independent living facilities, 7 ambulance services, 29 retail pharmacies, and one research institute.

Prior authorization was originally created to ensure that medical treatments and medications are used appropriately and cost-effectively. By requiring approval before certain services are provided, the process aims to prevent unnecessary or potentially harmful treatments, promote the use of evidence-based care, and control healthcare costs, ultimately safeguarding patient health and ensuring the sustainability of healthcare resources.

While prior authorization was designed to ensure appropriate and cost-effective use of medical treatments, overly burdensome and unregulated prior authorization requirements delay necessary patient care and drive administrative costs and provider burnout. Unchecked prior authorization also allows critical medical decisions to be made by insurance company analysts or algorithms – not licensed medical professionals.

When care is delayed, patients need more aggressive, expensive treatments, longer hospital stays, and emergency interventions – all of which drive up health care costs. Furthermore, the added administrative burden placed upon physicians by prior authorization is the leading cause of burnout, and it makes recruiting and retaining doctors more difficult, especially in our rural communities.

There are several ways that prior authorization can be improved to better support patient care while maintaining the integrity of the purpose to ensure the most effective treatments are provided at the best possible cost to the patient.

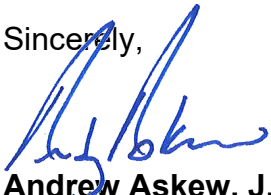
- Standardize and shorten the turnaround time for approvals of prior authorization to 2 business days for nonurgent care and 24 hours for urgent care requests

- Auto-authorize any request that has not had an authorization determination within expected timeframes
- Require same or similar specialty physician reviewers
- Require electronic submission of authorizations, preferably within national interoperability standards
- Require transparency through annual reporting requirements of timeliness of prior authorization decisions and the volumes and rates of authorization denials

Common sense prior authorization reforms will have a significant positive health outcome and financial impact for the citizens of North Dakota who seek healthcare across the state, which is why we strongly support SB 2280. We respectfully request you to join us in this support and to give SB 2280 a DO PASS recommendation.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrew Askew".

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