



**2023 Senate Bill no. 2389**

**House Industry, Business and Labor Committee**

**Representative Scott Louser, Chairman**

**March 14, 2023**

Good morning, Chairman Louser and members of the Industry, Business and Labor Committee. I am Lexie Huebner. I serve as Altru Health System's Pre-Service Manager. I am testifying on behalf of the North Dakota Hospital Association (NDHA), which represents hospitals and health systems across the state. We ask that you give this bill a Do Pass recommendation.

I have a passion for helping patients understand the complexities of their chosen health care insurance to avoid costly surprise medical bills. That passion is the basis of my current position at Altru. It is my goal to improve price transparency within the healthcare industry and to reduce the burden that medical bills put on families.

What exactly is prior authorization? It is a process that health plans use that requires healthcare providers to obtain prior approval before they can deliver specific healthcare services to a patient. If prior authorization is not given, the health insurance plan will not cover the cost of the services.

What does the prior authorization look like in the real world? If you have healthcare insurance, prior authorizations have likely played a part in your healthcare journey. But how? Let me tell a story of a North Dakota family who came to Altru to have a baby. What should have been a joyous time quickly turned scary as the baby needed extra attention and was rushed to the NICU. The family and the new baby had a North Dakota health insurance plan and both the mom and baby were admitted. Thankfully, the NICU doctors were successful in helping this baby and everyone was sent home. Fast forward a couple of weeks from discharge and Altru received a prior authorization denial for the genetic testing that was done on the baby. Because the genetic testing was not given prior authorization, the health plan denied coverage for the entirety of the stay. The bill was \$540,000.

Another North Dakota resident had been diagnosed with an aggressive form of cancer and needed to start radiation oncology treatments immediately. Based on the North Dakota plan the patient had, radiology oncology required prior authorization before treatments could begin. Altru submitted the prior authorization request in January of 2022. Unfortunately, 10 business days later, the prior authorization came back as denied. The insurance plan had deemed radiation oncology as not medically appropriate. Altru oncologists disagreed with that determination and wanted to proceed with an appeal. The appeal was started in February of 2022 and Altru made the decision to have the patient move forward with radiation oncology treatments despite the denial. This was the patient's best shot at beating the cancer. Altru worked on this appeal from February 2022 to December 2022 and was successful in overturning the denial. On 1/23/2023, the patient's North Dakota insurance plan paid for the radiation oncology services they had proceeded with back in February of

2022. A whole year had gone by before it was determined that the radiation oncology treatments were, in fact, medically appropriate to begin with. Imagine if the patient had went by the prior authorization denial and did not move forward with the treatment. These are just two examples – as the Pre-Service Manager, I see these examples every day. If you read Jonathan Haug’s testimony, you’ll encounter another example.

Prior authorization processes are extremely complex and difficult to summarize. This is due to the lack of standardization between health care plans as no two are the same. It is a process that has very little regulation and is controlled differently by each health care plan. Because of this complexity, I would welcome any opportunity to study the process. It is my hope that a study would bring forth more information about:

- Ensuring prior-authorization lists are current and up to date with today’s patients’ needs and do not hinder patients getting access to timely care.
- Confirming prior authorizations work to reduce patient’s medical costs and do not add to a patient’s out of pocket costs.
- Reviewing the prior authorization denial process and validate the rate of prior authorization denial appeals that are overturned.
- Further understanding the prior-authorization approval process and who ultimately approves a prior authorization.
- Exploring how frequent prior authorization requirements are changing throughout a year and how are changes being communicated to both patients and the healthcare facilities.
- Discover if prior authorizations are delaying patients’ ability to receive timely medical care.

It is the hope that this study could improve the prior authorizations process in North Dakota. It encourages a better understanding of the prior authorization process and how it not only affects the healthcare industry but, more importantly, how it affects patients’ access to timely healthcare.

Thank you, Chairman Louser and the members of the Committee, for giving me the opportunity to play a part in improving healthcare for North Dakotans. We ask that you give the bill a Do Pass recommendation. Thank you for your consideration. I would be happy to answer any questions.

Respectfully,

Lexie Huebner, Pre-Service Manager  
Altru Health Systems