



Essentia Health

House Industry, Business, and Labor Committee

SB 2389

March 20, 2023

Chair Louser and committee members:

Thank you for the opportunity to be here today. My name is Andy Askew, and I serve as Essentia Health's Vice President of Public Policy.

Essentia Health is an integrated health system serving patients in North Dakota, Minnesota, and Wisconsin. Headquartered in Duluth, Minnesota, we roughly 15,000 employees who serve patients and communities through our 14 hospitals, 77 clinics, 6 long-term care facilities, 3 assisted living facilities, 3 independent living facilities, 6 ambulance services, 24 retail pharmacies, and 1 research institute. Essentia Health is an accredited accountable care organization by the National Committee for Quality Assurance and is focused on the triple aim of better health, improving patient experience, and lowering costs.

I'm here to introduce Senate Bill 2389, a bill that now seeks to study the value of standardizing the prior authorization process and aligning it with the best practices adopted throughout the country. 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. There's no doubt that prior authorization is an important tool in the day of rising health care costs, but the federal gov't and states have recognized that overly burdensome prior authorization requirements unnecessarily delay care for patients and drive administrative costs and provider burnout.

As a start to fixing prior authorization, states around the country have begun looking at how the volume of prior authorization is impacting patients, physicians and the health care system. While these programs may reduce the amount health insurers are paying on care in the short-term, delaying or denying medically necessary care is not an appropriate or effective long-term solution to reducing costs. Prior authorization must be used judiciously, efficiently, and in a manner that prevents cost-shifting onto patients, physicians, and other providers.

To ensure North Dakota strikes uses prior authorization as a tool to ensure patients are receiving the appropriate without unnecessarily delaying patient care or driving up administrative costs, the proponents of the bill, who you will hear from shortly, ask you to support studying how to align North Dakota's regulations of prior authorization with the best practices adopted throughout the country.

Thank you for your consideration.

Sincerely,

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

Andrew Askew
Vice President of Public Policy
Essentia Health