american academy of pain management

Our Vision: No Life Limited by Pain

May 31, 2016

Insurance Committee
Senator Joe Hune, Chair
Michigan Senate
Lansing, Michigan

RE: HB 4935

Dear Senator Hune and Members of the Committee:

I am writing on behalf of the American Academy of Pain Management in support of HB 4935, a rather large bill with a very straightforward purpose: to ensure patient needs are at the heart of policies governing health insurance in Michigan. The bill would make a variety of updates to Michigan's health-related insurance laws. Some of these changes are minor, such as updates in outdated terminology. However, other provisions would create real and vital improvements to patient care in the state, such as ensuring that insurance companies make coverage determinations in a timely manner.

Passage of HB 4935 will ensure that patients don't suffer and/or deteriorate without vital prescriptions while waiting for coverage determinations. To expedite the process of prior authorization, the bill would mandate that an insurer must make a determination on coverage for prescription drugs, and notify the enrollee and the enrollee's prescribing physician of the determination, within 72 hours after the insurer receives the request. On a request for an expedited review of coverage for prescription drugs based on emergency circumstances, this timeframe would be shortened to 24 hours. We urge the passage of HB 4935 as a way reducing inefficiency in the prior authorization process, improving communication between the plan and the prescriber, and protecting patients from unnecessary and ineffective barriers to optimal health care.

Prior authorization is a case management tool used by third-party payers to control costs and help assure the use of safe and effective tests and treatments. It can be used to permit or limit access to diagnostic tests, procedures, provider visits, or medications. At its best, prior authorization helps protect patients from unnecessary, ineffective, or unsafe medical services; at its worst, the process becomes a significant barrier for patients in obtaining the care their health care provider believes to be best. Oftentimes, response times from payers can be so lengthy that many providers and patients become discouraged and fail to follow the process through to the end; many requests are initially denied; and the amount of time (and therefore, cost) invested by the health care provider and his or her staff can be substantial.

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In addition to making vital updates to prior authorization, HB 4935 would:

- **Ensure that the rates for every insurance policy are fair, sound, and reasonable in relation to the services provided.** This includes premiums, deductibles, copayments, and coinsurance. Further, the bill would require the procedures for offering and terminating health insurance policies to not be unfairly discriminatory.
- **Ensure that a health care provider's clinical judgement is not inappropriately influenced by insurers.** Under this bill, insurers shall not use any financial incentive or making any payment to a health professional that acts as in inducement to deny, reduce, limit, or delay specific medically necessary and appropriate services.
- **Ensure that patients have a voice.** Health maintenance organizations must establish a Consumer Advisory Council that reports to the HMO's governing body. The Consumer Advisory Council must include at least one enrollee, one family member or legal guardian of an enrollee, and one consumer advocate.

This bill does not prohibit health insurance plans from using appropriate utilization review measures; it merely requires that the administration of those measures be fair, transparent, and timely. We urge the passage of HB 4935 as a way reducing inefficiency in the prior authorization process, improving communication between the plan and the prescriber, and protecting patients from unnecessary and ineffective barriers to optimal health care. Accordingly, we urge the committee to protect the health of the residents of Michigan by voting to advance HB 4935. I am happy to discuss this issue with you if necessary. Please feel free to contact me by email at kduensing@aapainmanage.org, or by telephone at 209-288-2214.

About the Academy: The American Academy of Pain Management is the premier organization for all clinicians who care for people with pain. It is the largest pain management organization in the nation and the only one that embraces, as part of its mission statement, an integrative model of care, which: is patient-centered; considers the whole person; encourages healthful lifestyle changes as part of the first line of treatment to restore wellness; is evidence-based; brings together all appropriate therapeutic approaches to reduce pain and achieve optimal health and healing; and, encourages a team approach.

Sincerely yours,

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