

**MEDICAL SOCIETY**  
of the  
**STATE OF NEW YORK**

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*Division of Governmental Affairs*  
**MEMORANDUM IN SUPPORT**

**IN SENATE HEALTH COMMITTEE**

**S.7872 (HANNON)**

**IN ASSEMBLY INSURANCE  
COMMITTEE**

**A.9588 (GOTTFRIED)**

**AN ACT to amend the public health law and the insurance law, in relation to utilization review program standards and prescription drug formulary changes during a contract year, and in relation to pre-authorization of health care services**

This bill would amend the public health and insurance laws to reduce some of the exorbitant pre-authorization hassles experienced by patients and their physicians when they seek to have needed treatment and medications covered by their insurance. **The Medical Society of the State of New York strongly supports this measure.**

Several studies have highlighted the inordinate amount of time that physicians and other health care practitioners must spend on administrative tasks that interfere with patient care delivery, including time to obtain prior authorizations for needed patient care. For example, a 2016 Annals of Internal Medicine study concluded that, for every hour a physician spends on delivering care to a patient, two more are spent on administrative tasks. Another recent study by Milliman noted that insurers' use of burdensome prior authorization and step therapy requirements for prescription medications nearly doubled between 2010 and 2015.

Moreover, a just-released American Medical Association (AMA) survey reported that 92% of responding physicians said that the prior authorization process delays patient access to necessary care; 84% said that burdens associated with prior authorization were high or extremely high; and 86% reported that these PA requirements had increased in the last 5 years.

The legislation would enact a number of common sense reforms to address this growing problem, as set forth in a recently released document entitled Prior Authorization and Utilization Management Reform Principles. These principles were developed by AMA, the American Hospital Association, Medical Group Management Association, American Pharmacists Association, and Arthritis Foundation along with other health and patient advocacy associations. Among the important reforms contained in this legislation: Requiring health plan utilization review criteria to be evidence-based and peer reviewed; Reducing the insurer time frame for reviewing prior authorization requests; Prohibiting mid-year prescription formulary changes; and limiting when an insurer can withdraw or repeat a previously granted pre-authorization. The measures would help to better ensure patients can receive the care they need and clinicians can spend more time on care delivery.

**For all of the foregoing reasons, the Medical Society strongly supports this measure and urges its enactment into law.**

Respectfully submitted,

4/11/18  
MMA

**MSSNY DIVISION OF GOVERNMENTAL AFFAIRS**