



**TESTIMONY OF  
CONNECTICUT HOSPITAL ASSOCIATION  
SUBMITTED TO THE  
INSURANCE AND REAL ESTATE COMMITTEE  
Thursday, March 9, 2023**

**HB 6832, An Act Concerning Electronic Notifications For Prior Authorizations**

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **HB 6832, An Act Concerning Electronic Notifications For Prior Authorizations**. CHA supports this bill.

Connecticut hospitals continue to meet the challenges posed by the COVID-19 pandemic and are now facing new challenges of treating sicker patients than they saw before the pandemic, with a dedicated but smaller workforce who are exemplary but exhausted. They are also experiencing significant financial hardships brought on by record inflation. Through it all, hospitals have been steadfast, providing high-quality care for everyone who walks through their doors, regardless of ability to pay.

HB 6832 proposes to establish an array of standards to address the widespread inefficiencies of the prior authorization processes used throughout the health insurance industry. Specifically, the bill proposes to establish technical standards for hospitals and healthcare professionals to electronically file prior authorization requests, and other requests for prospective or concurrent utilization reviews, and standardized clinical review criteria for common services, treatments and procedures provided in hospitals in inpatient and outpatient settings. The bill also requires health carriers to implement an electronic prior authorization process consistent with these standards.

We applaud this important effort to establish standards and recommend that the proposed language be amended to ensure that the technical standards include additional essential program capabilities that enable hospitals and healthcare providers to do the following:

- Identify when prior authorization or predetermination is applicable for an item or service, using clinical decision support and/or user input, and for receiving notifications of changes
- Query a payer's system for updates on a pending prior authorization request and have a reason returned as to why a request is still pending
- Schedule a peer-to-peer review with the health plan's clinical staff if a service is denied

- Update inpatient authorizations to reflect the full range of pertinent diagnoses and level of services provided
- Update post-surgical or other procedure authorizations to document and solicit approval for adjusted diagnoses and procedure codes aligned with clinical needs addressed in the course of such procedures

We further request for consideration a change to subsection (f)(B)(2) as follows:

*(2) Each electronic program established pursuant to subdivision (1) of this subsection shall comply with all standards and criteria developed and established by the commissioner pursuant to subsection (e) of this section.*

The standards proposed in HB 6832 are long overdue. Health plans commonly use inconsistent administrative protocols and a dizzying array of timelines and requirements for prior authorization requests, reviews, approvals, and communication. In addition, prior authorization processes are woefully inefficient. Authorizations frequently are conducted by phone, with long wait times, in some cases as much as several hours. Clinical information may be shared with initial reviewers who then pass the requesting physician along to additional clinical reviewers. The processes employed seem at times to disregard the value of clinical staff time and resources. The burdensome processes, multifarious requirements, and manual processing inevitably result in some failures of authorization or adherence to requirements and a loss of reimbursement.

Hospitals often have multiple full-time employees whose sole role is to manage health plan prior authorization requests. Prior authorization processes exacerbate workforce challenges and contribute to physician and other staff burnout. Expending staff resources to respond to health plan administrative requirements is unreasonable at any time, and far worse as we confront unprecedented and likely enduring challenges recruiting and retaining essential healthcare workers.

These compounded inefficiencies exact an enormous cost. According to the American Hospital Association, “a large, national system spends \$15 million per month in administrative costs associated with managing health plan contracts, including two to three full-time staff that do nothing but monitor plan bulletins for changes to the rules.” Such costs are incurred by providers most directly, but ultimately contribute to the burden of healthcare cost growth borne by employers, taxpayers, and patients.

We are grateful for the legislature’s attention to this important issue and the proposed remedies, which will help reduce avoidable administrative costs and improve the well-being of the essential healthcare workers on whom our care depends.

Thank you for your consideration of our position. For additional information, contact CHA Government Relations at (203) 294-7310.