TESTIMONY OF
CONNECTICUT HOSPITAL ASSOCIATION
SUBMITTED TO THE
INSURANCE AND REAL ESTATE COMMITTEE
Thursday, March 17, 2022

SB 415, an Act Concerning Step Therapy, Adverse Determination And Utilization Reviews

The Connecticut Hospital Association (CHA) appreciates this opportunity to submit testimony concerning **SB 415, An Act Concerning Step Therapy, Adverse Determination And Utilization Reviews.** CHA supports the provisions of the legislation that limit required step therapy and improve health plan utilization management processes.

Since early 2020, hospitals and health systems have been at the center of Connecticut's response to the COVID-19 public health emergency, acting as a vital partner with the state and our communities. Hospitals expanded critical care capacity, procured essential equipment and supplies, and stood up countless community COVID-19 testing locations. Hospitals have been an essential component of the statewide vaccine distribution plan including efforts to reach and serve historically under-resourced communities disproportionately affected by the virus. Through it all, hospitals and health systems have continued to provide high-quality care for everyone, regardless of ability to pay. This tireless commitment to the COVID-19 response confirms the value of strong hospitals in Connecticut's public health infrastructure and the well-being of our communities and reinforces the need for a strong partnership between the state and hospitals.

Step Therapy Provisions

SB 415 makes an important change to existing state statute regulating the use of step therapy, by prohibiting the required use of step therapy for a prescribed drug for the treatment of a behavioral health condition or a chronic, disabling or life-threatening condition or disease, provided the prescribed drug is in compliance with approved U.S. Food and Drug Administration indications. Connecticut law already includes a carve out for prescribed drugs for cancer treatment for an individual with stage IV metastatic cancer.

We appreciate the focus on the treatment of behavioral health conditions. The pandemic exposed and aggravated deficiencies in Connecticut's behavioral health system. Rising numbers of people experiencing mental health and substance use issues due to isolation, delay in care, and fear caused by COVID-19, coupled with chronic staffing shortages, have stressed

our system even further. The crisis is evident in hospital emergency departments (EDs), which are often the only option for people who cannot access care in more appropriate settings. In order to meet the challenges we are facing, it is important that we take a whole-system approach—supporting additional resources and taking down barriers to care. SB 415 addresses one such barrier.

The practice of medicine and the provision of healthcare change rapidly with new technologies and as science evolves. It should be left to trained and licensed healthcare providers to review, consider, and incorporate new information, emerging technologies, healthcare approaches, and available medications in treatment and care conversations with their patients.

This is especially true for individuals seeking care for behavioral and mental health conditions. Providers require the flexibility to prescribe in a manner that, in their professional judgement, best meets the clinical needs of their patients, and they should retain the flexibility to alter that course of care if required. These prescribing decisions should be made by the provider and patient, not by an insurance company.

Utilization Review Provisions

Most Connecticut residents receive their health insurance benefits through commercial coverage. Nearly all private health plan coverage arrangements rely on utilization management as a means to gate-keep access to medically necessary services. Unfortunately, the inappropriate use of utilization management is eroding these benefits and restricting patient access to needed health coverage services.

For example, the use of prior authorization, the most widely used form of utilization management, is now being used by many plans to restrict access to common services. Moreover, plans are continually changing the rules that govern prior authorization, often in the middle of provider-insurer contract periods. While the stated intent of prior authorization is to help ensure patients receive care that is safe, efficacious, and beneficial to the individual patient, we have observed that many health plans are applying prior authorization requirements in ways that negatively affect care.

Utilization management programs, and prior authorization processes, specifically, also have an enormous impact on the cost of care. These processes directly burden frontline clinicians and require that hospitals employ staff and develop infrastructure dedicated to the support of these processes.

Fortunately, this legislation will help temper the overuse of utilization management processes by putting healthcare decisions back in the hands of patients and providers rather than health insurance companies. The legislation creates a rebuttable presumption that a healthcare service under review is presumed to be medically necessary if it was ordered by a healthcare

professional. The legislation rightly shifts the burden from the patient and healthcare provider to the health insurance company and in doing so will help ensure that appropriate patient care is not delayed by the overzealous use of utilization management processes.

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