



NEWS: FOR IMMEDIATE RELEASE

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**GOVERNOR MARTIN O'MALLEY SIGNS LANDMARK LEGISLATION TO REFORM
BURDENSOME HEALTH INSURER PRACTICE, PROTECT PATIENT ACCESS TO CARE
AND REDUCE HEALTH CARE COSTS**

MedChi-Sponsored Bill Will Reduce Barriers to Care and Treatment Delays by Moving Maryland to a Streamlined, Electronic System for Processing Health Insurance Prior Authorization

BALTIMORE (May 22, 2012) – MedChi, The Maryland State Medical Society, today applauded Governor Martin O'Malley for signing HB 470, a bill that will streamline health insurance prior authorization process, help stem the rising tide of health care costs and protect access to timely and effective care for Maryland patients.

“Health insurers intrude into the doctor-patient relationship in significant and potentially dangerous ways, including an onerous and complex prior authorization process. HB 470 will help bring the prior authorization process into the 21st Century, alleviate the time-consuming burden on doctors and their staffs, and ensure that Maryland patients have access to timely, effective and affordable care,” said MedChi CEO Gene Ransom. “MedChi applauds the Governor and the General Assembly for taking steps to ensure that efforts to contain health care costs do not unnecessarily delay treatment or jeopardize the health of Maryland patients.”

The Maryland Health Care Commission (MHCC) recently laid out a plan to move to a standardized, electronic system for filing and processing prior authorization requests. The Commission proposed a single electronic method for submitting requests and required a response from insurers to prior authorization requests within a reasonable timeframe. HB 470 enacts the guidelines that MHCC put forward in its report and empowers the MHCC to hold insurers accountable for their progress.

“The current paper-based system for processing insurance prior authorizations weighs down the entire health care system, buries doctors and their staffs, and distracts time and resources away from patient care,” said MedChi President Dr. Harry Ajrawat. “Every hour spent navigating complex administrative tasks is an hour not spent with patients. HB 470 is not only a common-sense solution to help control rising health care costs, it is also a relatively small change to the way health care is administered that will have an enormous impact on the ability of Maryland physicians to care for their patients.”

Prior authorization requires doctors to go through a number of extra steps to obtain a health insurer's approval before the insurer will agree to pay for a prescription medication, medical test or procedure. Under the current prior authorization process, requirements vary widely from one insurer to another, each of which also has a different process for submitting prior authorization requests. In most cases, prior

authorization must be done manually, meaning providers spend valuable staff time on the phone or printing or faxing forms, and many requests require additional information or follow-ups.

“At a time when physicians, policymakers and all health care stakeholders are looking for ways to reduce health care costs without sacrificing quality care, it’s crucial that we unleash the enormous potential for savings that advances in technology hold,” added Ransom.

MedChi first surveyed its membership in 2010 about the impact of health insurer protocols on Maryland physician practices and their patients, and found:

- **95% of Maryland physicians** surveyed said that health insurer protocols like prior authorization had a **“somewhat” or “very negative” effect on the doctor’s ability to effectively treat patients;**
- **88.5% of physicians** identified insurance barriers such as prior-authorization or pre-approvals as **“burdensome,” “very burdensome,” or as a “major hassle”;**
- More than **70% of responding doctors** indicated that the hidden costs associated with meeting health insurer protocols have a **“significant to crippling” impact on their practice;** and,
- Nearly **77%** of respondents said that they had considered **moving their practice to another state, retiring early, leaving the profession, or reestablishing their practice as fee-for-service only** in order to avoid the administrative burden associated with health insurance requirements.

About MedChi

MedChi, The Maryland State Medical Society, is a non-profit membership association of Maryland physicians. It speaks on behalf of over 22,000 licensed physicians in the state. Its mission is to serve as Maryland’s foremost advocate and resource for physicians, their patients, and the public’s health.

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