

HOUSE INSURANCE COMMITTEE February 20, 2023

Testimony Opposing House Bill 2283

Blue Cross and Blue Shield of Kansas City

Chairman Sutton and members of the Committee, my name is Coni Fries, and I am here today on behalf of Blue Cross and Blue Shield of Kansas City to testify against House Bill 2283.

Blue Cross and Blue Shield of Kansas City is a not-for-profit health plan serving residents in the greater Kansas City area, including Johnson and Wyandotte counties in Kansas and 30 counties in Northwest Missouri. Our mission is to use our role as the area's leading health insurer to provide affordable access to healthcare and improve the health and wellness of our members. The limitations imposed in House Bill 2283 will further challenge our ability to provide affordable coverage as insurers are left with fewer tools to manage health care services.

Health insurers work diligently to ensure that enrollees are getting the right care, at the right time, from the right provider. Utilization management tools, like prior authorization, are critically important to ensure enrollees receive safe, evidence-based, timely, and high quality care. These tools rely upon provider-developed clinical guidelines, consultation with specialists, input from nationally recognized care criteria to ensure consideration of the latest medical evidence based on the highest standards of care.

Under the supervision of medical professionals, prior authorization reduces inappropriate, unsafe, and low value patient care- all of which contributes to potential harm to patients and unnecessary costs. The Medicare and Medicaid programs recognize the importance of prior authorization to seniors and Medicaid beneficiaries. As a matter of fact, years ago Kansas decided to move the Medicaid population from fee for service to "managed care" in order to help rein in costs and reduce low value services. This legislation will remove one of the most important tools MCOs have to ensure Medicaid pays for only medically necessary services.

An industry-wide survey conducted by AHIP of commercial health insurance issuers found that the most common reason for an initial prior authorization denial is that the provider did not submit the clinical information necessary to support the initial request and that the most common reason for a final denial is that the requested medical service or medication is not evidence-based.

Exemptions to prior authorization requirements should not be taken lightly, and broadly limiting the ability to review medical necessity and appropriateness of care before care

is delivered will lead to higher premiums and eliminate clinical safety edits designed to ensure patient safety.

It is vital that legislators recognize the essential role of these tools and refrain from dismantling prior authorization programs because they are highly effective in addressing the long-standing challenges to safe and affordable evidence-based health care for Kansans.

In addition to our concerns with the gold carding provisions, the legislation as drafted is confusing and unclear. It contradicts or does not take into account existing Kansas law regarding utilization review (including prior authorization) timeframes and prohibitions.

HB 2283 is unclear if it only applies to medical services or if it also includes supplies and prescription drugs. Similar legislation passed in Texas also contained this ambiguous provision and regulations were needed to clarify whether prescription drugs were subject to gold carding. The legislation also appears to apply to Medicaid Manage Care plans, workers compensation plans, the State Employee plan and possibly self-funded plans sponsored by Kansas employers.

The costs associated with these changes will trickle down to patients. It is anticipated by the Texas Association of Health Plans that premiums in Texas will increase by \$1 billion a year in the fully insured market.

We need our Kansas health care providers and health care associations to adopt a Kansas legislative agenda to make the care they provide more affordable rather than pursuing legislation that will increase the cost of care and result in more uninsured.

BlueKC is committed to quality care for every enrollee. To improve our enrollees' experience with their coverage and care, we work with doctors, and nurses and the enrollees to make care more efficient, effective and affordable. Prior authorization helps us deliver on that promise and I urge the committee to consider the unintended consequences this legislation could have on your constituents' ability to afford health insurance. *Finally, let's start a conversation with Kansas health care providers to see what they can do to help make health care more affordable.*