



**Kansas Hospital
ASSOCIATION**

TO: House Insurance Committee

FROM: Chad Austin
President and CEO

DATE: February 20, 2023

RE: House Bill 2283

The Kansas Hospital Association appreciates the opportunity to provide comments in support of House Bill 2283 on behalf of our 123 community hospital members.

Over the past few years, we have seen an increased amount of requirements associated with the prior authorization process. Originally, the prior authorization process was a method used by insurance carriers to control costs for highly expensive medications and services. However, recently, the process is becoming increasingly more burdensome to our health care system and, consequently, is having a negative impact to patients obtaining needed health care.

According to a survey conducted with our Kansas Hospitals, every respondent reported having experienced prior authorization delays and denials in 2021. Further, 92 percent indicated that the prior authorization process often leads to negative impacts to patients resulting in more tests and treatments that ultimately increase the overall cost of care. Perhaps most concerning is that more than 43 percent of our survey respondents suggested that the process of prior authorization results in delays of access to medically needed care with many of those reporting that those delays mean longer recovery times, additional hospitalizations and readmissions, life threatening events for patients, and permanent disability.

Kansas hospitals believe the prior authorization process is antiquated and administratively burdensome. We believe House Bill 2283 is a way to ensure that the health care services that need prior authorization can still have those, but making it a more modern and efficient system for our healthcare system and for the patients that we serve.

Our state is not alone in trying to create a better system when it comes to prior authorization. In fact, Kansas is one of only a handful of states that has not yet modernized their statutes on the topic of prior authorization. Our member hospitals have expressed that this puts our state at a distinct disadvantage when trying to recruit and retain physicians and nurses in Kansas.

While our members report that the inefficiencies in the prior authorization system can take up to five hours of administrative time to obtain prior authorization approval, they would prefer that time be streamlined to allow them to focus their time providing clinical care to their patients when they need it most.

House Bill 2283 comes at a critical time for our healthcare system. The health care workforce challenge facing our state is significant. The vacancy rate for RN's across Kansas has increased three fold between 2018 and 2022. Over 85 of Kansas' 105 counties have been designated as a primary health care professional shortage area. While there are several reasons that may contribute to the current workforce challenges, we oftentimes hear from exiting providers about the increasing administrative burdens that caused them to walk away from their profession.

We believe that House Bill 2283 provides great benefit to our healthcare workforce and Kansas patients by:

- Modernizing an outdate process;
- Streamlining timelines for prior authorization approval;
- Expediting processes so peer to peer encounters can be more timely; and
- Creating transparency on how often these denials are occurring.

Thank you for the opportunity to share our thoughts. We encourage that this committee will recommend House Bill 2283 favorably for passage.