

Enact Comprehensive Prior Authorization Reform

PRIORITY

Pursue comprehensive prior authorization reform and cut down on other burdensome health plan practices that contribute to rising health care costs, threaten the viability of independent medical practices, and compromise patient care.

BACKGROUND

For physicians and their patients, prior authorization remains a barrier to patient care and, unnecessarily, makes an already complicated health care system even more complicated to navigate. Even after the passage of Texas' landmark 2021 Texas "gold carding" law to provide some relief, challenges remain.

Under the 2021 Texas gold card law, physicians who receive at least 90% approval on prior authorization requests for a specific service or prescription from a state-regulated health plan covered by the law can bypass the prior authorization process for that service, helping to avoid delays to medically necessary care. Even with this legislative step forward, however, prior authorization demands remain high and Texas' law has had challenges in its implementation with regulations that have made the process more burdensome than that law intended.

Texas physicians report they continue to write letters of medical necessity and undergo peer-to-peer reviews to advance recommended treatment in a process that often infringes on interactions with patients. In a 2023 American Medical Association survey, 93% of physicians reported prior authorization negatively impacted clinical outcomes, with nearly one in four saying the process led to serious adverse events ranging from hospitalization to death.¹ Moreover, multiple investigative reports in the last year have revealed that health insurers continue to ramp up use of the practice to delay and deny medical care for patients, ignoring the harm to patients.²⁻⁷

For these reasons, comprehensive prior authorization reform is vital.



TMA SUPPORTS:

- Measures to ensure denials or delays in care do not lead to avoidable medical emergencies.
- Senate Bill 547, which builds on the 2021 gold carding law framework and promote its implementation as originally intended with additional transparency and accountability standards for insurers.
- Senate Bill 177/House Bill 2150 and Senate Bill 815 to require health plans to approve patient care and verify coverage in a timely manner and to prohibit health plans from using fully automated systems to deny care.
- House Bill 1818 to require the Texas Department of Insurance to conduct more frequent health plan reviews for compliance with certain utilization review and preauthorization requirements.

1. American Medical Association 2023 prior authorization physician survey, www.ama-assn.org/system/files/prior-authorization-survey.pdf
2. "UnitedHealth Is Strategically Limiting Access to Critical Treatment for Kids With Autism," *ProPublica*, Dec. 13, 2024, <https://www.propublica.org/article/unitedhealthcare-insurance-autism-denials-applied-behavior-analysis-medicaid>
3. "Not Medically Necessary: Inside the Company Helping America's Biggest Health Insurers Deny Coverage for Care," *ProPublica*, Oct. 23, 2024, <https://www.propublica.org/article/evicare-health-insurance-denials-cigna-unitedhealthcare-aetna-prior-authorizations>
4. "What's My Life Worth? The Big Business of Denying Medical Care," *New York Times*, March 14, 2024
5. Medicare Advantage Prior Authorization, Office of Inspector General, U.S. Department of Health and Human Services Office of Inspector General Impact Brief, March 2024, <https://oig.hhs.gov/documents/impact-briefs/9820/Medicare%20Advantage%20Prior%20Authorization%20Impact%20Brief.pdf>
6. "High Rates of Prior Authorization Denials by Some Plans and Limited State Oversight Raise Concerns About Access to Care in Medicaid Managed Care," U.S. Department of Health and Human Services Office of Inspector General, July 17, 2023, <https://oig.hhs.gov/reports/all/2023/high-rates-of-prior-authorization-denials-by-some-plans-and-limited-state-oversight-raise-concerns-about-access-to-care-in-medicaid-managed-care/>
7. Regulatory Relief Coalition, <https://regrelief.org/about/resources>

