

Testimony to the Senate Insurance Committee

Regarding: SB 129

Presented by Kathy Corbett

Chair Hottinger, Vice Chair Bacon, Ranking Member Brown and members of the Senate Insurance Committee my name is Kathy Corbett, and I am the practice administrator for a free standing, independent radiation oncology center in Dayton. I also serve on the board of the Medical Group Management Association of Miami Valley and am the former President of Dayton's Professional Association of Health Care Office Managers. Thank you for the opportunity to testify today in support of Senate Bill 129, a bill that will make necessary reforms to the Prior Authorization (PA) system in Ohio.

At First Dayton Cancer Care we offer more cancer-fighting options than any other center in southwest Ohio. We combine highly trained and skilled radiation therapy specialists with the most advanced technology. Dr. Edward Hughes has invested over 15 million dollars in equipment and facilities to serve our patients. He feels it is important to offer cancer patients world class treatment close to home. We strive to improve outcomes, reduce side effects while lowering the cost to patients. We serve approximately 500 people per year from over 8 counties. My two physicians and staff choose to remain an independent practice so they can practice medicine the way that their training and experience has shown them is best for patient outcomes and quality of life. They are the experts in their field and are always challenging themselves to take better care of the lives that they have been entrusted.

As you probably know, policies that require physicians to ask permission from a patient's insurance company before performing a treatment or prescribing a drug are known as prior authorization. While we understand the necessity of prior authorization and want to work with carriers to ease this administrative burden, we are supporting SB 129 because there are some fundamental changes that can be made to the PA system that will enable us to provide better care for our patients, not only by allowing them to have the ability to choose what is best to fight their disease, but ensuring that they have access to that care.

Since 2008, our per patient revenue is down 32%. Some of this loss in revenue is due to declining reimbursement rates; free standing radiation oncology stands to take another 3% reduction in Medicare in 2016. However we estimate one third (1/3) of this revenue reduction is due to hassles our practice experiences with prior authorization.

One aspect of SB 129 that will help my practice significantly is a provision that will require insurance plans to respond to PA requests within a quicker timeframe. In 2010, my cancer patients started their radiation treatment on average in 7 days. In the first half of 2015, that had risen to 23 days. Of course these are averages from a sampling. There are those on Medicare and Medicaid who begin within 2 days; and there are those on commercial carriers that wait an average 45 days as we go through the steps of pre-authorization and pre-determination before they can begin their treatment. My physicians

used to pride themselves on the fact that they could begin treating a patient the day after they saw them for consultation. We employ a team of experts capable of doing this. Those days are over. Patient's now have to wait. Patients who may be in pain, may have high anxiety, may have to return to work will all now wait. For example, for a course of radiation treatment in 2014 one large Ohio carrier required prior-authorization for 1 treatment code. As of today, that same course of treatment requires 8 codes be authorized.

SB 129 will also prohibit insurance plans from doing a retroactive denial of payment for a drug or procedure they already authorized. This is a very common practice that costs us thousands of dollars per year. For example, in 2014 between 2 insurance carriers, we had approximately \$250,000 in take backs from 2013 claims. That is \$250,000 in claims the insurance carriers authorized before we gave the course of treatment that we then had to fight to keep. Our physicians were guilty until we could prove their innocence. The time and money that our practice spends on fighting denials has greatly increased. Most of our overhead expenses can be budgeted for, but the loss of revenue from denied claims and take backs cannot. Each year it is an unknown factor and my practice cannot continue to absorb this as a business expense. No small business in Ohio could.

I have countless examples of how these issues in prior authorization have affected the patients all over Miami Valley regardless of the specialty. From the Ear, Nose and Throat physicians to Family Practice doctors. A most recent example of how difficult this process has become is the carrier that is asking our highly trained oncologists to complete two different treatment plans on a lung cancer patient, submit the plans with their clinical assessment and then the carrier will tell us what radiation treatment they will authorize. Meanwhile my practice spends time and money on these services for which we will not be paid and the patient waits for the carrier to decide how to treat their lung cancer. And the carrier still will not guarantee that they will pay for the treatment that they have now authorized.

While cancer is not emergent, it is terribly urgent to the person who has it and to their loved ones. Four years ago I was able to keep the business of billing out of the hands of my clinical staff and physicians. They only had to focus on caring for their cancer patient. Now it is a part of their daily conversation with patients and their frightened family members. People don't understand why they have to keep waiting to begin a treatment that could save their life. They wonder why are we not treating their mother, their daughter, their husband, their loved one's cancer right away. In their mind, it is growing every day and they are getting sicker and sicker and my clinical staff has to tell them that they have to wait on authorization. This has real human consequences.

SB 129 will make changes to the prior authorization system that will give my patients more certainty and comfort in the fact that we will take care of their cancer. It will give this small business a stronger chance to survive the current healthcare storm. I strongly ask that you support this important piece of legislation for the patients in Ohio. Thank you for giving me this opportunity to testify today and I am happy to answer any questions the committee members may have.