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November 17, 2015

The Honorable Jay Hottinger  
Chairman, Senate Insurance Committee  
Ohio Senate  
1 Capitol Square  
Columbus, OH 43215

Dear Chairman Hottinger,

On behalf of the nearly 8,000 members of the Ohio Chamber of Commerce, I write you to express concerns we have with the as-introduced version of SB 129, legislation that imposes significant changes on health plans' prior authorization processes.

Policy debates on bills such as SB 129 typically engage only providers of health care services and third-party payers. Yet, as the primary purchasers of private health insurance – over 6 million Ohioans receive coverage through employer-sponsored coverage – employers are almost always impacted by such bills.

Prior authorization is a feature of many group health policies designed to help control health care costs by encouraging both the provider and the patient to make a more cost-effective decision regarding any necessary medical care. In general, the Ohio Chamber opposes legislation that would undermine the use of prior authorization.

According to the Ohio Department of Insurance, the costs of health insurance for small businesses rose 18 percent in 2014 alone, and another 15 percent in 2015. With healthcare costs continuing to rise, anything the legislature does that could contribute to further increases is problematic.

The Ohio Chamber recognizes that the prior authorization process can sometimes be a burdensome, time consuming, and costly process for health care providers and can potentially cause delays in access to needed treatments that might negatively affect the health of patients. This was clear from testimony given last week by proponents of SB 129.

However, while the Ohio Chamber shares the goal of the sponsors and proponents of SB 129 – namely to help streamline this process to the benefit of providers, payers and, most importantly, patients – several provisions are of concern:

1. Automatic approval of a prior authorization request if the plan doesn't respond within 48 hours from the time it receives the request;
2. Requiring a prior authorization approval be honored for up to 12 months after authorization is given;

3. No retroactive denials of coverage after a prior authorization has been given; and
4. Blanket authority for providers to amend a given prior authorization to make it apply to other services not initially approved.

Most Ohio Chamber members, to be sure, are not directly impacted by these specific provisions. However, taken together, these provisions would render the prior authorization process virtually meaningless. Unless a smarter solution or compromise can be reached, the end result would likely mean more upward pressure on costs in the healthcare system – costs which will ultimately be borne by Ohio Chamber members in the form of higher premiums.

Sen. Randy Gardner, the primary sponsor of SB 129, indicated that conversations are ongoing that will ultimately lead to a substitute version of this legislation. While the Ohio Chamber has not been part of these conversations and is unaware of exactly what changes are being contemplated, it is our hope that the provisions referenced above as being of concern will be satisfactorily addressed or removed entirely from the bill, and we urge the Senate Insurance Committee not to favorably recommend SB 129 until such changes have been made. Thank you.

Sincerely,



Keith Lake  
Vice President, Government Affairs

cc: Members of the Senate Insurance Committee  
Senate President Keith Faber  
Sen. Capri Cafaro  
Sen. Randy Gardner