



House Bill 130 – Proponent Testimony
House Insurance Committee
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Chair Barhorst, Vice Chair Lampton, Ranking Member Miranda, and members of the Ohio House Insurance Committee, thank you for the opportunity to provide proponent testimony on House Bill 130, which would create a Prior Authorization Gold Card Program for Ohio. My name is Susan Milheim, and I am the Senior Director of Revenue Cycle Management at Cleveland Clinic.

Our hospitals serve patients in Cuyahoga, Lorain, Medina, Stark, Summit, Tuscarawas, and from across all counties of Ohio. The cost of providing health care continues to increase, and the administrative burden and associated expenses continue to climb. Much of these administrative costs, particularly in recent years, are related to insurance verification and prior authorization of services, and the working of related denials.

The process of prior authorization is laborious and time consuming, requiring vast resources to make telephone calls, submit clinical data, and check on the status of the approval. Often, peer-to-peer reviews are necessary with the ordering provider and the payer medical director. Payers typically take 11-14 business days to authorize service. These delays can force us to reschedule medically necessary services for patients who urgently need to begin treatment and therapies. Half of our surgical patients are scheduled within less than 14 days, and 52% of our patients needing chemotherapy infusions have treatment plans with expectation of care within 7 days. Each month, approximately 2,000 (24,000/year) of our patients are delayed, cancelled, or rescheduled due to a pending authorization.

Because a prior authorization does not guarantee payment, we must dedicate significant resources to lengthy appeals processes even after a service rendered was prior approved. This work, too, consumes costly resources and further adds confusion for our patients.

House Bill 130 will allow us to minimize delays experienced by patients to receive necessary care by creating a mechanism to allow for providers to receive exemption from the prior authorization process. To qualify, a provider would need to demonstrate that they have a prior authorization approval history of at least 80% for a particular service during a designated period of time (12 months). If they can meet this threshold, they will be issued a "gold card," exempting them from prior authorization for that service. This enhanced turnaround will allow us to better support our patients through timely access and care.

Today, Cleveland Clinic spends approximately \$18.6M in resources to secure authorizations; money that could be better utilized to promote additional clinical care. Overall, Cleveland Clinic has a 94.7% pre-service authorization secure rate across surgical, radiology, medicine, chemotherapy and injection/infusion service lines. This is demonstrated in the following table:



Service Line	% Approved
Radiology	95.3%
Medicine	94.6%
Surgery	91.8%
Injection/Infusion	99.2%
Chemotherapy Drugs	99.5%
Grand Total	94.7%

Collectively, as both payers and providers, we have an obligation to our patients to provide timely, appropriate, transparent, and cost-effective care. While we understand the need for prior authorization, we also believe we must have a more efficient system that is fair and transparent.

Senate Bill 130 will allow us to take better care of our patients in a shorter timeframe. This bill will not only greatly reduce administrative burden on providers and patients, but it will also increase patient health outcomes across the state, ensuring patients receive the care they need when they need it.

Please help us pass this legislation that will allow us to focus on what we do best: providing world class care to the patients across the state of Ohio. Thank you for the opportunity to testify.