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SB13-277:
Uniform Process for Prior Authorization for Prescription Drugs
Rep. Ginal & Sen. Aguilar

Establishing a uniform prior authorization process for health care providers will save time and cut down on administration costs, while helping patients access much needed prescriptions more quickly.

What is “prior authorization”?

For many prescription drugs that don't appear on an insurer's formulary, an insurer may require a health care provider to submit a “prior authorization” to a pharmacy benefit manager in order for a prescription drug to be covered under the patient's insurance plan.

What's the problem?

Different insurers require different kinds of authorizations, and these requirements are often complex and/or difficult to discern. Health care providers have reported spending significant administrative time providing prior authorizations on many of their prescriptions, and patients often have to wait five to seven days for their prescription to be approved, which can put their health in jeopardy. This problem is exacerbated when a patient switches insurance carriers because the health care provider must submit a different kind of prior authorization.

How will Senate Bill 277 help?

Senate Bill 277 begins the development of a uniform prior authorization process by requiring the Commissioner of Insurance to appoint a stakeholder work group to study the issue and adopt rules to be followed by insurance carriers, pharmacy benefit managers, and health care providers. The bill also makes the prior authorization process available electronically, but does not mandate that health care providers submit a prior authorization request electronically.

Health Care Access – Health care consumers, including many seniors, cannot afford to wait several days for their prescription drugs. Senate Bill 277 accelerates the process so patients can get the medicine they need when they need it.

Health Care Costs – Senate Bill 277 takes on one small piece of a much larger problem with the inflation of health care costs. By standardizing and simplifying the processes in which health care providers interact with each other and with insurers, Senate Bill 277 will cut down health care administration costs, and those savings could be passed along to consumers.

*The bill will be heard in the House Health, Insurance & Environment Committee on
Thursday, May 2 at 1:30 p.m.*