January 30, 2020

Senator Curt VanderWall
Senator Winnie Brinks
Senate Committee on Health Policy and Human Services
Michigan State Senate
Room 1100, Binsfeld Office Building
201 Townsend Street
Lansing, MI 48933

Re: Testimony of SB612
Jerome Seid, MD, Immediate Past President, Michigan Society of Hematology and Oncology

Chairman VanderWall, members of the committee, and those of you in attendance, my name is Jerome Seid and I am a practicing hematologist/oncologist in Warren, Michigan. I am the immediate past president of the Michigan Society of Hematology and Oncology. I am here today to lend what I hope will be a strong voice in support of SB 612 sponsored by Senator VanderWall. My patients suffer from diseases that threaten to strip them of function, dignity, meaningful work, relationships, and hope - essentially their lives, every day. It is heartbreaking and frustrating for me to treat these patients and make recommendations for care that I am trained to administer and believe to be in their best interests, only to have to watch them endure the prior authorization process that most often serves to delay what eventually is approved, whether it be diagnostic testing including lab and radiology, or treatment itself. I and my staff must spend enormous hours of time each day and week trying to reach insurance reviewers, most of whom are not oncology skilled, yet who wield tremendous power over how I am able to practice. This places extraordinary financial and work-flow stress and on private practices like my own. It takes employees from their roles in the office to be stuck on the interminable hold while the calls are passed from person to person, department to department. Most disturbing of all, however, patients and families are left to suffer the consequences.

I need to mention the 2018 case of an insurance company medical director who admitted that he did not even look at the cases of patients whose treatment requests were denied, to remind you of the impact such an abuse of power can have.

Health insurance executives will contend that prior authorization has benefits that offset the human costs they engender. Insurance companies' position that prior authorization is necessary to ensure policyholders receive safe and efficacious treatment, and that health care costs are contained, is misleading.

Denying a prescription or test might save money in the short run. But when a patient must be hospitalized due to a lack of appropriate and timely treatment, those cost savings will be wiped out many times over. And fail-first or step therapy processes imposed by insurers compound the issue even further, resulting in even longer delays in the delivery of timely and effective care.

The vast majority of physicians support the practice of evidence-based medicine tailored to the unique clinical characteristics of each patient. We recognize and accept the mantle of good faith stewardship of limited health care resources in every situation and we welcome reminders of our responsibility. But the prior authorization process in place today must be overhauled to eliminate treatment delays that inflict tremendous harm and
needless suffering on our patients yet leaves physicians feeling accountable. This is dysfunction in our health care system that interferes with patient care and is in fact a barrier to care.

The burden of prior authorization is also at odds with the tenets of value-based care. It is estimated that the workload of prior authorization consumed nearly two days of physician and staff time per week - time which could otherwise be spent actually providing care for patients. That is not value. Patients should not be made to feel undeserving criminals which the PA process creates all too often, especially when prescribing opiates for cancer pain.

In January 2018, the Consensus Statement on Improving the Prior Authorization Process was released. This document was endorsed by the American Hospital Association, America's Health Insurance Plans, American Pharmacists Association, Blue Cross Blue Shield Association, Medical Group Management Association, and the AMA. It outlined the key reforms needed to ensure timely access to care, including a reduction in prior authorization requirements and increased processing automation. It also promoted greater transparency and protected continuity of care. A copy of this 4 page document is available for your review.

Among the reforms recommended in the consensus:

- Prior authorization processes should be evidence-based, transparent, electronic and immediate.
- The plans should monitor their prior authorization processes and remove that requirement entirely when they find that a procedure is never denied or a practice is never denied.

Senate Bill 612 goes a long way to address some of the barriers created by prior authorization as delineated in the consensus statement. Be forewarned, however. Automation of the process as a solution may create increased PA volume on the basis of the misperception that document exchange is faster and easier.

Despite the consensus statement, physicians report an increase in the number of prescriptions and procedures that require prior authorization. And fully 85 percent in the AMA survey discussed in earlier testimony said prior authorization is still disrupting continuity of care. Even progress in automation — the one area health plans seem most interested in addressing — has been slow to materialize.

My esteemed legislative colleagues, it’s time to fix prior authorization. Physicians know it; professional medical societies such as MSMS and MSHO know it, my patients and families - your constituents, know it. There are no alternative facts - just a misrepresentation. And as I sit here today using my voice, I implore this legislative body to lend its own voice and live up to its charge and act responsibly in supporting and passing SB 612. It might not be long before any of you or your families face obstacles to care because insurance companies refuse to acknowledge and act honestly to address what they know but choose to ignore.

Thank You.

Jerome Seid, M.D., FACP
Immediate Past President
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