



ASSEMBLY MEMBER

**Freddie Rodriguez**

DISTRICT 52

## FACT SHEET

### Assembly Bill 1268 (Rodriguez)

#### Prior Authorizations

*As introduced 2/22/2019*

#### Summary

Assembly Bill 1268 will require health care service plans and insurers to report to the Department of Managed Health Care or the Department of Insurance the scope of services and treatments that require prior authorization and the rate at which they approve, deny, delay, or modify provider requests for treatment. The bill would also have plans and insurers take this information into account when they update their utilization review criteria.

#### Background

Health care service plans and insurers require prior authorization for many treatment options, including tests, therapies, referrals, prescriptions, and surgeries. The process by which prior authorization is obtained often involves the use of varied communication channels, including phone calls, faxes, and electronic notifications. These antiquated techniques do nothing to improve the level of care for patients and increase the costs and administrative burdens placed on physician practices.

In a 2018 physician survey, the American Medical Association found that physicians submitted an average of 31 prior authorizations per week. That averages out to nearly 15 hours, or approximately two days, of practice time spent each week on the administrative function of filing and following up on prior authorization forms. This is valuable time that could be better spent seeing patients.

Additionally, necessary medical care is often delayed or even abandoned by patients due to issues with the prior authorization process. In fact, in the same survey, 28

percent of providers reported that prior authorization led to a serious adverse event in the health of patients.

The solution is a more streamlined, less onerous prior authorization system that provides patients with a high-value, timely, and personalized level of care. However, very little information is collected regarding the application of prior authorization processes and the approval and denial rates of health care services by insurers.

#### This Legislation

AB 1268 will:

- Help accomplish the goal of a streamlined prior authorization process by collecting data on approval rates and the range of services that require prior authorization by plans.
- Give health plans and insurers the opportunity to self-govern and take the information they will be reporting to the regulator into account when updating their prior authorization criteria.

#### Support

California Medical Association (Sponsor)

#### Contact Information

Alice Montes  
Assemblymember Freddie Rodriguez  
Phone (916) 319-2052  
Fax (916) 319-2151  
Alice.Montes@asm.ca.gov