Workgroup to Study the Rise in Adverse Decisions

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MedChi – The Maryland State Medical Society

MedChi
The Maryland State Medical Society
Your Advocate. Your Resource. Your Profession.

Introduction to MedChi

MedChi is the seventh oldest medical society, formed in 1799 in Annapolis, MD.

The Mission of MedChi, The Maryland State Medical Society, is to serve as Maryland's foremost advocate and resource for physicians, their patients, and the public health of Maryland.

MedChi is the largest physician organization in Maryland

- Physicians – Primary Care and Specialists
- Medical Residents and Students
- Practice Managers and Medical Staff

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Utilization Review Process: Physician Perspective

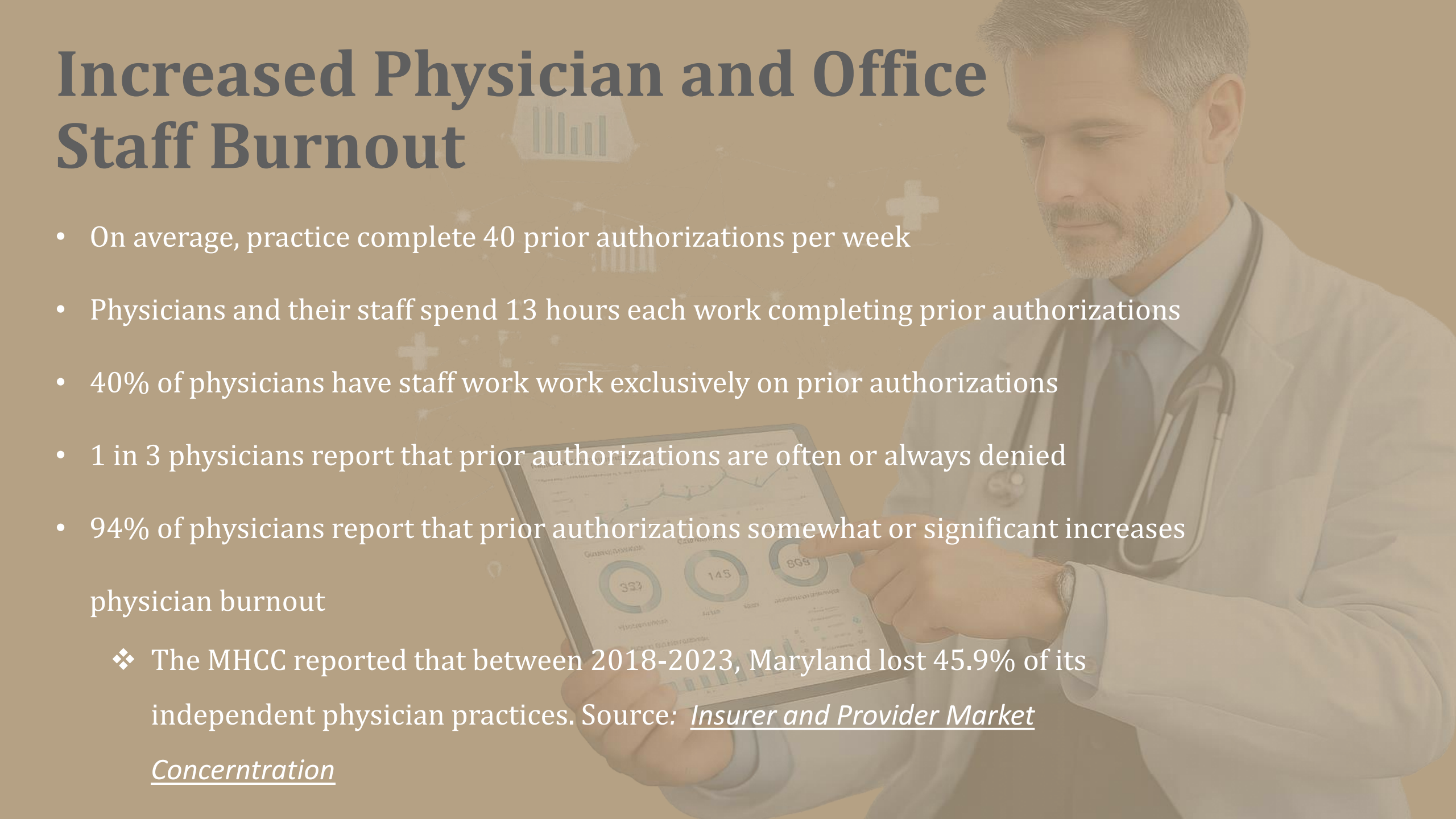
- Negative Patient Outcomes
- Increased Physician and Office Staff Burnout
- Unnecessary Health Care Spending

Source: 2025 AMA Prior Authorization Physician Survey

Prior Authorizations (PA) Requirements Result in Negative Patient Outcomes

- 95% of physicians report care delays
- 79% of physicians report treatment abandonment
- More than 1 in 3 physicians report that criteria are rarely or never evidence-based
- More than 1 in 4 physicians report prior authorization has led to a serious adverse event for the patient

Increased Physician and Office Staff Burnout



- On average, practice complete 40 prior authorizations per week
- Physicians and their staff spend 13 hours each work completing prior authorizations
- 40% of physicians have staff work work exclusively on prior authorizations
- 1 in 3 physicians report that prior authorizations are often or always denied
- 94% of physicians report that prior authorizations somewhat or significant increases physician burnout
  - ❖ The MHCC reported that between 2018-2023, Maryland lost 45.9% of its independent physician practices. Source*: Insurer and Provider Market Concerntration*

Appealing Adverse Decisions

- Only 1 in 5 physicians report that they always appeal an adverse decision.
- WHY NOT MORE?
  - 59% report that they don't believe the appeal will be successful based on past experiences.
  - 52% report that they have insufficient practice staff resources/time.
  - 49% report that patient care cannot wait for the health plan to approve the prior authorization.
  - More physicians are having to rely on patients to conduct appeals due to time constraints
- END RESULT: Patient care suffers

Maryland Data - Appealing Adverse Decisions

- Carriers rendered 109,123 adverse decisions in 2023 compared to 111,426 in 2024, representing an increase of 2.1%.
- Carriers self-reported 10,577 grievances in 2023 compared to 11,526 received in 2024 , representing an increase of approximately 9.0%.
  - Carriers only overturned adverse decisions 49.8% in 2023 compared to 49.9% in 2024.
  - MIA has bolstered education efforts to encourage appeals, which has been positive
- When providers/patients appealed to the MIA, the MIA reversed or modified the carrier's grievance decision 66.8% of the time, recovering $1,094,960 for complainants.

Source: *Law 2024 Report Insurance Article 15-10A-06(b)(3)*

Unnecessary Health Care Spending

Insurers allege that prior authorization programs are necessary to control costs. The medical community contends costs INCREASE:

- 88% of physicians report that prior authorization leads to higher overall utilization through –
  - ✓ Ineffective initial treatment (e.g., due to step therapy requirements): 75% report
  - ✓ Additional office visits: 73% report
  - ✓ Immediate care/ER visits: 47% report
  - ✓ Hospitalizations: 32% report
- National studies support that prior authorization does NOT lower costs. *Combatting Misconceptions about Prior Authorization | AMA*

Maryland UR Reforms (Senate Bill 791/House Bill 932)

- MedChi thanks the legislature for enacting comprehensive reforms during the 2024 Session, effective January 1, 2025.
- Reforms focused on greater continuity of care, enhanced notice provisions, and better transparency and communication protocols, such as dedicated phone lines and emails for issues related to adverse decisions.
- Apart from prohibiting denials for renewals of prescriptions to treat mental health disorders or that are an immune globulin, reforms did not require or decrease the volume of prior authorizations.
    - Sixty-three percent of physicians describe the burden associated with prior association on their practice as high or extremely high.

Initial Concerns Raised with UR Reform Implementation

- Provider Relations
  - UR Reform required dedicated phone/email.
  - Reports that phone line is available, but lines are automated and holds are for hours
  - This is broader than UR Reform but expands all plans and lines of service. Providers report hold times are for hours and little resolution. MedChi has requested information from the MCO Association and the League on provider relations contacts
- Reauthorizations
  - Reports from pediatricians that ADHD medication is still subject to repeat prior authorizations even though it is a mental health drug under the Diagnostic and Statistical Manual of Mental Disorders (Fifth Edition)
- Expedited review requests are not being honored

National Reforms – Part Two??

- In June 2025, AHIP announced six voluntary reforms for insurers.
- Only 1 in 3 physicians believes that positive change will result from the insurer's national reform pledge.
- WHY?
  - 2025/2026 National Insurers pledge fails to include prescription drugs, the leading cause of PAs and denials.
  - 2nd time around - commitments made in 2018 failed to be achieved. Examples -
    - Committed to selective application of PA based on provider performance but only 5% of physicians report contracting with health plans that offer programs exempting providers from PA.
    - Committed to PA program review and adjustment based on low variation in utilization or low PA denial rates but a strong majority of physicians report that the number of PAs required for prescription medications* (84%) and medical services† (82%) has increased over the last five years.

Perfect Storm Brewing

- Maryland Has One of the Lowest Physician Payment Rates in the Country
- Continued Administrative Burdens in the Volume and the Processing of PA requests and Claims
- Untimely Payment of Clean Claims by Insurers

RESULT = Crisis of Care

Physicians Leaving the Practice of Medicine; Closing Practices, Especially in Primary Care (including Pediatric)

Recommendations

- Conduct a study and/or review of whether PA increases health care costs.
- Closely monitor the Implementation of the UR Reform Law; consider audits of the requirements rather than self-reports.
- Revise the complaint process to the MIA; physicians report difficulty in determining the appropriate complaint form to use, and that form is cumbersome.
- Review the MCO appeals and grievance law against the commercial law to determine parity and consistency, especially given the number of MCOs that also write in the commercial market.

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