



2019 Legislative Session

The Prior Authorization Act – cs/SB 188

The Problem

For the last several years, the number one complaint heard from New Mexico Medical Society and American Medical Association memberships is the frustration with ever increasing time and money spent on successfully completing prior authorization requirements for Managed Care Organizations. Results from an AMA survey (March 2018) show that every week a medical practice completes an average of 29.1 prior authorization requirements per physician, which take an average of 14.6 hours of provider and staff time. Eighty-four percent of physicians said burdens associated with prior authorization were high or extremely high, and eight-six percent believe burdens associated with PA have increased during the last five years.

The Proposal

Senator Gay Kernan introduced Committee Substitute/Senate Bill 188 to create the Prior Authorization Act. The bill was crafted with extensive input from NMMS members who shared their views on, and experience with, the prior authorization process. The bill tracks the consensus statement on improving the prior authorization process released earlier in 2018 by America's Health Insurance Plans (AHIP), American Hospital Association (AHA), American Pharmacy Association (APhA), Medical Group Management Association (MGMA), American Medical Association (AMA), and BlueCross Blue Shield Association.

New Mexico Medical Society is in full support of cs/SB 188. The goal of the bill is to improve access to and provision of quality medical care in a timely manner. The changes made to the bill, as summarized below, do just that by modernizing and standardizing the prior approval process.

- 1. Emergency Care is excluded from prior authorization requirements.**
- 2. Prior Authorization forms are standardized for all health plans.**
- 3. Time periods are standardized for all health plans.**
- 4. An internet portal for medical, pharmaceutical and medical device prior authorizations will be used to standardize the process and to reduce administrative burden, expedite treatment, improve efficiency, and decrease costs.**
- 5. The Superintendent of Insurance will adopt regulations to allow for independent peer review for disputes on coverage for urgent treatments.**

New Mexico Medical Society asks the committee to support cs/SB 188 which will greatly improve physicians' ability to provide quality and timely patient care in New Mexico.