

Testimony on LD 523 and 617 (previously 2106) before HCIFS Committee

March 9, 2021

Good morning Senator Sanborn, Representative Tepler and esteemed members of the HCIFS Committee. My name is Geoff Gratwick and I live in Bangor. I have been a member of this committee for the last three sessions and regret that the lockdown prevents me from bringing you the required tray of goodies. I hope you will not hold this against me and promise to do better once we are back to normal.

- 1.) History —I began work on LD 2106 in 2018, there were hearings and many changes to the bill in 2019 and 2020, and it passed HCIFS unanimously in March 2020. Due to COVID the Legislature adjourned before voting on it.
- 2.) Rationale: PAs waste time and money for patients, providers, pharmacies and carriers. They are confusing, frustrating, delay needed care, and put carriers and their algorithms in charge of patient care as opposed to patients and providers.
 - a. **There are *no* peer reviewed, published studies documenting cost savings and improved quality due to PAs.**
 - b. PAs are proprietary; they are ‘black boxes’; they lack transparency; there are no published explanations allowing providers to understand the rationale for their algorithms.
 - c. The motivation for PAs is the bottom line for carriers, not patient care.
 - d. Maine Medical Association survey: 10/18 – most Maine doctors give up on appealing a PA thus leading to less desirable care and adverse clinical outcomes.
 - e. Limited use of PAs is reasonable for very expensive Rx, experimental Rx, gene Rx, and certain very specialized Rx.
- 3.) New CMS rules (2/1/2021): ***CMS now requires that the electronic transmission of information between providers, pharmacies, and Part D plan sponsors/carriers occur in real time so that providers will know whether prescription related PA will be granted.***

- a. These rules have been in the works since 2012.
- b. They require standard NCPDP SCRIPT format
- c. See the detailed analysis in the “Federal Register: Medicare Program; Secure Electronic Authorization for Medicare Part D, 12/31/2020”
- d. **These bills will require private carriers to adhere to CMS rules.**

4.) Cost: electronic PAs for carriers averages \$2.03; manual PAs cost carriers between \$10.00 and \$25.00; annual cost \$23 - \$31b (Health Affairs 5/14).

Thank you. I am happy to answer any questions.