**HB607/SB460 – Right to Repair Part 1 –**

 **Prior Authorization Prohibition**

**The problem**:

* The prior authorization process used by insurance companies leads to long delays in getting repairs for power wheelchairs and durable medical equipment
	+ These long delays can prevent people with disabilities from going into the community, doing errands, getting to work, seeing family, etc.
* The requirement that repairs of power wheelchairs and durable medical equipment is an especially unnecessary barrier
	+ An insurance company has already determined that a person needs this equipment, that shouldn’t change just because it’s broken
	+ It incentivizes manufacturers and providers to order parts or contract technicians only once they receive a prior authorization so that they can save money, leading to additional delays

**The details:**

* What is prior authorization?
	+ Prior authorization is the process used by insurance companies to determine if they will pay for medication, procedures, services, therapies or treatments
* How it works:
	+ A health care provider will “prescribe” a product, service or treatment to address the health needs of a patient and send it to your insurance company
	+ The insurance company looks at the “prescription” and determines if it is covered by your benefits plan, that the product/service/treatment is medically necessary and that there are not cheaper alternatives
		- If they agree with the “prescription” from your doctor, they will approve a “prior authorization”
	+ They then send the prior authorization to the health care provider who arranges for the care of their patient
* The American Medical Association found that 91% of patients have experienced a delay in receiving health care as a result of the prior authorization process
	+ 24% of patients experienced adverse health effects because of the delay, and 16% were hospitalized because the prior authorization process prevented them from getting needed care
* 86% of physicians say that the increasing use of prior authorization presents a high or extremely high burden on their practice and ability to provide care
	+ A 2016 study found that for every hour a physician provides direct care, they spend 2 hours on administrative tasks like prior authorizations

**The solution:**

* Prohibit prior authorizations for the repairs of power wheelchairs and durable medical equipment.
	+ This prevents insurance companies from interfering in care decisions and manufacturers/providers from engaging in just-in-time service, speeding up the process of vital repairs for necessary equipment