



*Leading for Better Health*

June 21, 2021

BY HAND DELIVERY  
Senator John DiSanto, Chairman  
Pennsylvania Senate Banking and Insurance Committee  
168 Main Capitol  
Senate Box 203015  
Harrisburg PA 17120-3015

Re: Senate Bill 225, Preauthorization and Step Therapy Reform, HAP Support

Dear Chairman DiSanto,

Thank you for agreeing to put Senate Bill 225 on the Senate Banking and Insurance Committee calendar. The Hospital and Healthsystem Association of Pennsylvania (HAP) supports this bill as amended.

This legislation implements common sense legislative protections against certain payor practices and helps to remove administrative barriers that burden providers, delay patient access to care and services, and result in hospital underpayments. Additionally, the bill addresses “step-therapy protocol,” that requires patients to try one or more payor-preferred medications before coverage is granted for a health care provider’s recommended course of treatment.

Prior authorization delays and denials are increasing, and the current process results in these challenges for all manner of services—including routine tests, medications, and procedures. This has led to delays in patient care, significant administrative challenges for providers, and increased health care costs for businesses, consumers, and government payors.

The COVID-19 pandemic has financially strained the Pennsylvania hospital community and now, more than ever, health care providers should receive **timely** payment for delivering medically necessary services. According to the Pennsylvania Health Care Cost Containment Council (PHC4), Pennsylvania hospital margins experienced a significant decrease during 2020 with 38 percent of hospitals posting negative operative margins and nearly one in five experiencing margins between 0 and 4 percent—below what is needed to maintain hospital infrastructure and long-term sustainability. In addition, uncompensated care increased in 2020.

SB 225 does not end the practices of prior authorization and step therapy. It establishes a minimum approval duration period to expedite the prior authorization process, reducing administrative burdens for physicians and providers, and ultimately, better serving patients in the health care system.



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HAP will continue to work with stakeholders to reform prior authorization as well as to meet with you and other stakeholders to discuss these matters, with the goal to ensure that all patients have timely access to care.

Thank you for being a champion of this issue.

Sincerely,

A handwritten signature in black ink, appearing to read 'Warren Kampf', is written over a light gray rectangular background.

Warren Kampf  
Senior Vice President, Advocacy and External Affairs  
The Hospital and Healthsystem Association of Pennsylvania