

Joint Committee on Health Care Financing 2025-2026 (194th) Bill Summary

<u>Bill Number:</u>	House, No. 1383
<u>Title:</u>	AN ACT RELATIVE THE USE AND IMPACT OF PRIOR AUTHORIZATION FOR HEALTH CARE SERVICES
<u>Sponsor:</u>	Representative John J. Lawn, Jr. (Watertown)
<u>Hearing Date:</u>	July 15, 2025
<u>Reporting Deadline:</u>	September 13, 2025
<u>Prior History:</u>	New Bill
<u>Similar Matters:</u>	N/A

Current Law:

Chapter 6D of the General Laws establishes the Health Policy Commission (HPC) as an independent agency within the Executive Office of Administration and Finance to set health care cost growth goals, enhance provider organization transparency, monitor and review marketplace changes, and establish a health care cost growth benchmark for the average growth in total health care expenditures.

Chapter 12C of the General Laws establishes the Center for Health Information and Analysis (CHIA) as an independent agency tasked with collecting and analyzing health care data and publishing annual reports on health care costs, cost trends, market power, and quality data in support of the annual health care cost trends hearings conducted by the HPC.

M.G.L. Chapter 26, §§ 1, 6 establish the Division of Insurance (DOI) and the position of commissioner of insurance within the division.

Summary:

This legislation directs the HPC, in collaboration with CHIA and DOI, to conduct a comprehensive analysis of the use of prior authorization in healthcare services. This analysis will examine its impact on cost, quality, and access to care. The report will cover various aspects, including a detailed assessment of admissions, services, treatments, procedures, and medications that require prior authorization, focusing on approval and denial rates, timelines for review and appeals, and associated healthcare expenditures. It will also analyze how prior authorization affects patient access and costs, especially considering patient demographics, geographic regions, and service types.

Additionally, the report will review the integration of standardized electronic processes to improve transparency and efficiency, evaluate waiver policies based on "gold-carding status," and propose recommendations for simplifying prior authorization standards. The report will rely on data from carriers and include statistics such as approval/denial rates, timeframes for determinations, and the processing times for appeals. The findings and recommendations will be submitted to the chairs of the joint committee on health care financing and the house and senate committees on ways and means within one year of the act's effective date.