



February 6, 2019

The Honorable Laurie Monnes Anderson
Chair, Senate Committee on Health Care
900 Court St. NE
Salem OR 97301
RE: Opposition to SB 139

Dear Chair Monnes Anderson and members of the Senate Committee on Health Care:

Kaiser Permanente Northwest (KPNW) appreciates the opportunity to provide comments on Senate Bill 139. KPNW provides integrated health and dental services to over 600,000 members in Oregon and Southwest Washington and employees more than 12,000, including over 1250 physicians. We appreciate the reasoning and desire for additional clarity in the prior authorization process but respectfully oppose the approach taken in SB 139. KPNW's goal is to avoid excessive administrative burden and reduce consumer and provider confusion, while maintaining the integrity of the prior authorization process. Prior authorization and other utilization management tools such as step therapy help us ensure that the right care at the right time and in the right location is provided to all KPNW members.

Transparency:

KPNW is continually working to make information available to our members and potential members online. The requirement in SB 139 to post prior authorization approval criteria and specific documentation on our website would require system changes that take time and can be expensive. We are also concerned about the 90-day notice for 'new rules' and the impact this would have on formulary management. KPNW manages our formulary based on the three pillars of efficacy, safety and cost. Limiting our ability to change our formulary could put our members at risk of not having access to the safest, most effective treatments available. Finally, we would like to look closely at the additional administrative burden these provisions and the new reporting requirements would add to an industry that it already very highly regulated.

Timelines:

KPNW is concerned that the proposed timelines for prior authorization and appeals do not match NCQA and lines of business distinctions (e.g. Medicare, Medicaid, etc.), which include expedited and standard timeframes for prior authorization determinations for urgent and non-urgent care. Having a blanket timeliness that is different from NCQA and other lines of business would be very onerous. Appeal determinations cannot match prior authorization requirements for turn-around times because there is more work required in an appeal to make an adequate determination. These timeframes ensure that a review will take place in a time period that is appropriate for the member's medical condition, as determined by the treating provider. Timeframes that are arbitrarily rushed could lead to patients being inappropriately denied based on incomplete information.

Step Therapy:

Step therapy protocols are developed using FDA guidelines, clinical evidence, and research to ensure that patients are taking the most appropriate medications. KPNW opposes the concept in SB 139 that gives provider's subjective ability to override medical necessity criteria. As with prior authorizations, step therapy decisions should be based on research and clinical evidence. In addition, we have concerns that SB 139 attempts to create a different exception process than the existing appeals process. KPNW believes that the process and timelines should match those for prior authorization. Finally, KPNW does not object to the provision that allows patients to not have to repeat step therapy protocols but recommend adding language to ensure that medical records are available to confirm as adequate, as determined by insurer, trial and failure of all step therapy protocols required by the insurer.

Thank you for your consideration of KPNW's concerns about SB 139. We look forward to working with the bill's proponents on these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Fauver", with a long horizontal flourish extending to the right.

Amy Fauver
Director, Government and Community Relations
Kaiser Permanente Northwest