

July 27, 2022

The Honorable Richard Neal Chairman Ways and Means Committee U.S. House of Representatives Washington, D.C. 20515

The Honorable Kevin Brady Ranking Member Ways and Means Committee U.S. House of Representatives Washington, D.C. 20515

Dear Chairman Neal and Ranking Member Brady:

On behalf of the American Academy of Family Physicians (AAFP), which represents 127,600 family physicians and medical students across the country. I thank the Ways and Means Committee for marking-up the *Improving Seniors' Timely Access to Care Act* (H.R. 3173).

Family physicians are overburdened by administrative functions at the point of care and after patient care hours - a task further compounded by the lack of harmonization in these functions across public and private payers. Physicians have noted that prior authorization and step therapy requirements are continually increasing, taking time away from providing quality care to patients, and putting financial strain on primary care practices. Studies have estimated that primary care physicians spend nearly 50% of their time on cumbersome administrative tasks, such as prior authorizations. Administrative burden is also linked to the alarming increase in physician burnout rates, especially among primary care physicians. Data shows that family physicians are among the top five specialties experiencing burnout.ⁱⁱⁱ The volume of administrative tasks imposed on physicians represents the most immediate threat to the delivery of high-quality, timely care to patients, as well as exacerbating physician burnout. To address this important issue, the AAFP developed principles for reducing administrative complexity in health care and consistently advocates to incorporate these principles into policy solutions.

Prior Authorization and Step Therapy Create Barriers to Medically Necessary Care and Treatment and Worsen Physicians' Administrative Burden

Prior authorization is the process by which physicians must obtain advanced approval from a health plan before the delivery of a procedure, device, supply, or medication for insurance to cover the cost of that service. Another utilization management technique used by health plans, step therapy is an insurance protocol that requires patients to try one or more insurer-preferred medications prior to the medication their physician prescribed. Health plans use prior authorization and step therapy as a cost containment strategy by limiting and restricting access to expensive services, diagnostic tests or procedures, medical devices or products, or prescription drugs.

Prior authorization is one of the leading causes of administrative burden on physicians and their practice staff. Physicians report that prior authorization and step therapy requirements are continually increasing, taking time away from patient care, and putting financial strain on primary care practices. According to an annual physician survey on prior authorization, 93% of physicians note that prior authorization delays access to necessary care.iv

Large, commercial health plans often use step therapy protocols as a tool to reduce prescription drug spending; however, studies suggest that any savings may be offset by increased care costs resulting from additional outpatient visits, hospitalizations, and more viviviiviii Most concerning is that health plans' step therapy protocols are frequently more stringent than recommended treatment

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guidelines or inconsistent with recommended treatment pathways, and as a result they create a barrier for patients to receive timely, medically-indicated treatment. Research has also found that step therapy requirements prevent patients from adhering to effective medication regimens, which can lead to worse health outcomes.

We consistently hear from AAFP members that prior authorization and step therapy are extremely burdensome for physicians and other clinicians. These manual, time-consuming administrative processes encumber family physicians and their practice staff, divert valuable resources from direct patient care, and can delay the start or continuation of necessary treatment, leading to lower rates of patient adherence to treatment and negative clinical outcomes.

Policy Solutions

Physicians and patients must have access to clear guidelines for prior authorization requirements and timely responses from insurance plans, as well as reasonable exceptions and overrides of step therapy requirements. The AAFP calls on Congress and other federal partners to identify and eliminate regulations and processes that add cost and burden while undermining the efficient delivery of high-quality care.

The AAFP applauds the Committee for considering the Improving Seniors' Timely Access to Care Act (H.R. 3173) and urges its prompt passage. The bill would streamline and standardize prior authorization in the Medicare Advantage program to protect patients from unnecessary delays in care and reduce administrative burden for physicians.

We also urge the Committee to consider the <u>Safe Step Act</u> (H.R. 2163). The Safe Step Act would implement transparency guidelines to prevent inappropriate use of step therapy in employer-sponsored health plans and create a clear process for patients and physicians to seek reasonable exceptions to step therapy.

The AAFP applauds the work of the Committee to simplify clinicians' administrative requirements and ensure patients have timely access to care. For more information, please contact Erica Cischke, Director of Legislative and Regulatory Affairs, at ecischke@aafp.org.

Sincerely,

Ada D. Stewart, MD, FAAFP

Board Chair, American Academy of Family Physicians

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