

1  
2  
3 Title: Prior Authorization Legislation  
4  
5 Introduced by: Michael Vredenburg, DO, for the MI Chapter, American College of Cardiology  
6  
7 Original Author: Michael Vredenburg, DO  
8  
9 Referred to: Reference Committee B  
10  
11 House Action: **APPROVE**  
12

---

13  
14 Whereas, managed care oversight programs, such as prior authorization, that substitute  
15 corporate policy for physicians’ clinical judgment can delay patient access to medically necessary care,  
16 and  
17

18 Whereas, the sometimes lengthy prior authorization process can have detrimental health  
19 consequences for patients as a result of delays, test substitutions and/or denials in treatment, and  
20

21 Whereas, insurer prior authorization policies create bureaucratic hassles and cost physicians  
22 approximately \$23 to \$31 billion each year in administrative expenses, and  
23

24 Whereas, coping with prior authorization is the second largest administrative task for  
25 physicians, consuming at least 20 hours per week of physician and staff time for an average practice,  
26 and  
27

28 Whereas, guidelines and decision algorithms for the rejection of services are generally based  
29 upon subjective opinions of the insurers and are not disclosed on the grounds that they are  
30 “proprietary”, and  
31

32 Whereas, virtually all physicians, whether specialists or primary care, are impacted by this  
33 sometimes arbitrary system, and  
34

35 Whereas, in the fifth annual National Health Insurer Report Card, the AMA found that medical  
36 services requiring prior authorization were reported on 4.7 percent of claims, a 23 percent increase  
37 from 2011, and  
38

39 Whereas, on January 25, 2017, a coalition led by the American Medical Association and  
40 including the American College of Cardiology, American Academy of Dermatology, American  
41 Academy of Family Physicians, American College of Rheumatology, American Hospital Association,  
42 American Pharmacists Association, American Society of Clinical Oncology, and many state medical  
43 societies issued 21 guiding principles<sup>1</sup> for “Prior Authorization and Utilization Management”; therefore  
44 be it  
45

46 RESOLVED: That MSMS pursue the introduction of prior authorization legislation in the  
47 Michigan Legislature to address patient care issues associated with the prior authorization process,  
48 using the American Medical Association’s 21 guiding principles as a guide for such legislation.  
49

---

50  
51 WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE

<sup>1</sup> <https://www.ama-assn.org/sites/default/files/media-browser/principles-with-signatory-page-for-slsc.pdf>