
HOUSE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY OF STATUTES AND REGULATIONS RELATED TO PRIOR AUTHORIZATION REQUIREMENTS AND THE TIMELY DELIVERY OF HEALTH CARE SERVICES IN THE STATE AND INCLUDE AN ANALYSIS OF PRIOR AUTHORIZATION REFORM, WITH INPUT OF DATA AND FEEDBACK FROM STAKEHOLDERS, INCLUDING PATIENT ADVOCATES, PROVIDERS, FACILITIES, AND PAYERS.

1 WHEREAS, patients face continued challenges in accessing
2 health care due to the burdens of prior authorization
3 requirements, which serves as an upfront bottleneck to the
4 delivery of many commonly indicated diagnostic tests and medical
5 treatments; and
6

7 WHEREAS, prior authorization further compounds the
8 increased costs and administrative demands on providers and
9 staff, which are made worse by the health care workforce
10 shortages in the State; and
11

12 WHEREAS, recent June 2023 changes to the Centers for
13 Medicare and Medicaid Services (CMS) rules on prior
14 authorization are a step in the right direction, but it is
15 necessary to address the prior authorization inconsistencies and
16 concerns for all payers so that Hawaii residents can receive the
17 timely medical care that they need; and
18

19 WHEREAS, time-consuming prior authorization processes
20 encumber family physicians, divert valuable resources from
21 direct patient care, and delay the start or continuation of
22 necessary treatment, leading to lower rates of patient adherence
23 to treatment and negative clinical outcomes; and
24

25 WHEREAS, administrative complexity in the United States
26 health care system has been identified as a source of enormous



1 spending and should be further examined for cost-saving
2 opportunities; and

3
4 WHEREAS, although payers use prior authorization and claims
5 processes to reduce medical costs and design custom benefit
6 designs to achieve a specific premium price, the misapplication
7 of prior authorization often leads to inappropriate and
8 dangerous delays in diagnosis and treatment and may result in
9 abandoned care; and

10
11 WHEREAS, the misapplication of prior authorization
12 increases the already substantial barriers to health care for
13 patients in rural and underserved areas; and

14
15 WHEREAS, recent CMS rules have mandated changes to reform
16 prior authorization that, taken together, will reduce overall
17 payer and provider burden and improve patient access in federal
18 programs; however, these changes do not apply to private
19 insurers; and

20
21 WHEREAS, Hawaii health care private payers still require
22 prior authorization for common inpatient, residential treatment
23 center, and partial hospitalization admissions that are not
24 directly from an emergency department, as well as for commonly
25 indicated diagnostic testing and treatment of urgent cases for
26 mental health, surgery, gynecology, and oncology; and

27
28 WHEREAS, the timeline is substantially variable and
29 inconsistent for private payers in terms of prior authorization
30 turnaround, and this complexity leads to confusion, additional
31 paperwork, cost for staff, and contributes to significant
32 provider team burnout; and

33
34 WHEREAS, an analysis by the Legislative Reference Bureau is
35 a necessary first step to facilitate collaboration on prior
36 authorization reform, with input of data and feedback from all
37 stakeholders including patient advocates, providers, facilities,
38 and payers; now, therefore,

39
40 BE IT RESOLVED by the House of Representatives of the
41 Thirty-second Legislature of the State of Hawaii, Regular
42 Session of 2024, the Senate concurring, that the Legislative
43 Reference Bureau is requested to conduct a study of state and



1 federal statutes and regulations related to prior authorization
2 requirements in the State which shall include:

- 3
4 (1) A summary and analysis of the current state and
5 federal statutes and regulations governing prior
6 authorizations in the State across all health
7 insurance plans offered in the state; and
8
9 (2) A comparison of Hawaii's statutes and regulations
10 governing prior authorization to the statutes and
11 regulations of at least five other states identified
12 through the input and feedback from stakeholders
13 including patient advocates, providers, and payers;
14 and
15

16 BE IT FURTHER RESOLVED that the study is requested to
17 evaluate whether there are statutes and regulations that
18 establish the following:
19

- 20 (1) Reasonable and appropriate prior authorization
21 response times, including whether a response time of
22 twenty-four hours for urgent care and forty-eight
23 hours for non-urgent care is feasible;
24
25 (2) Valid prior authorizations for medications for a
26 period of at least one year, regardless of dosage
27 changes;
28
29 (3) Valid prior authorizations for the length of treatment
30 for patients with chronic conditions;
31
32 (4) That adverse determinations should only be conducted
33 by providers licensed in the State and of the same
34 specialty that typically manages the patient's
35 conditions;
36
37 (5) The manner in which retroactive denials may be avoided
38 if care is preauthorized;
39
40 (6) Procedures whereby private insurers may publicly
41 release prior authorization data by drug and services
42 as it relates to approvals, denials, appeals, wait
43 times, and other categories;
44



1 (7) Reasonable and appropriate periods of time for a new
2 health plan to honor a patient's prior authorization
3 for a transition period of time; i.e., at least ninety
4 days; and
5

6 (8) Criteria or factors that allow for the reduction of
7 total volume of prior authorization requests, such as
8 exemptions or gold-carding programs; and
9

10 BE IT FURTHER RESOLVED that the Legislative Reference
11 Bureau is requested to submit a report of its findings and
12 recommendations, including any proposed legislation, to the
13 Legislature no later than twenty days prior to the convening of
14 the Regular Session of 2025; and
15

16 BE IT FURTHER RESOLVED that a certified copy of this
17 Concurrent Resolution be transmitted to the Legislative
18 Reference Bureau.
19
20
21

