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Delaware Healthcare Association Brian W. Frazee President & CEO May 15, 2024

The Honorable Bryan Townsend Senate Majority Leader Delaware General Assembly Dover, DE 19901

Dear Senator Townsend,

The Delaware Healthcare Association, representing Delaware's hospitals, health systems, and related healthcare organizations, is pleased to support Senate Bill 10.

Ensuring access to care is one of DHA's top advocacy priorities for 2024. SB 10 helps reduce barriers to patient care by reforming pre-authorization requirements in Delaware, also known as prior authorization. Prior authorizations are problematic for providers and patients alike.

A recent American Medical Association (AMA) <u>survey</u> found that 88% of respondents find the burden associated with prior authorizations to be "extremely high." Physicians and their staff on average spend about two business days per week on prior authorizations alone. These administrative burdens are a major contributor to healthcare provider burnout.

For patients, prior authorizations can lead to delays in necessary care. The same AMA survey found that 94% of physicians reported that their patients have experiences care delays due to prior authorizations. About 80% of respondents reported that prior authorizations can lead to patients abandoning treatment and 33% of physicians report that prior authorizations have led to serious adverse events for patients in their care.

SB 10 improves the prior authorization process for providers and patients. SB 10 shortens the time a utilization review entity must respond to a provider's prior authorization request, increases the length of time that an approved prior authorization remains valid, limits the number of prior authorizations required for a single episode of care, provides for a continuity of care transition period for those who switch insurers or health plans, and ensures that utilization review entities are available to make determinations on weekends and after hours.

SB 10 also ensures prompt response to prior authorization requests made for patient transfers. This is a critical step to help patients who are no longer in need of acute hospital care to transition to a more appropriate care setting.

Thank you for the opportunity to share DHA's support for SB 10. We look forward to working with you, other stakholders, and your colleagues in the General Assembly to advance this important legislation.

Sincerely,

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Brian Frazee President & CEO Delaware Healthcare Association