



Texas Association of Health Plans
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Dear Chairman Oliverson and members of the House Insurance Committee,

Re: House Bill 755

The Texas Association of Health Plans (TAHP) is the statewide trade association representing health insurers, HMOs, Medicaid managed care, and other health plans that serve over 20 million Texans. **We are neutral on House Bill 755 after working with Rep. Johnson on a forthcoming committee sub that will address our concerns and create some reasonable guardrails.** We appreciate the author making changes to the bill to address concerns.

As introduced, the bill would broadly eliminate almost all prior authorizations (PAs) for prescription drugs. The legislation's definition of "chronic" is so broad that health plans would be prohibited from requiring a PA for nearly any drug. This includes verifying that opioids are prescribed according to guidelines at the lowest possible dose and for the shortest possible duration to help prevent overuse.

Removing PAs would undermine vital safeguards against fraud, waste, abuse, and practices that prevent harm, reduce costs, and ensure timely and appropriate care. Similar legislation in the last legislative session created a fiscal note of \$169 million for TRS and ERS alone. However, by excluding "chronic" drugs from the proposed restrictions in this introduced bill, the fiscal note was significantly reduced. Most autoimmune drugs do not need more than one prior authorization per year, so health plans typically do not have more than one a year.

While less than 10% of prescription drugs require PA, these authorizations serve as critical safeguards based on FDA guidelines and medical recommendations. They help prevent harm, lower costs, and promote the appropriate use of medications and services. For example, in response to concerns about the high number of low-income Texas children being prescribed dangerous antipsychotic drugs like Seroquel and Risperdal, Medicaid began requiring prior authorization to protect these children. Accutane, a common medication for chronic acne, often requires a safety prior authorization to assess pregnancy status, as it can cause birth defects and should never be used by pregnant women.

Some prescription drugs, such as opioids, other Schedule II controlled substances, and drugs with black box warnings, pose significant risks. A black box warning is an FDA alert about serious or life-threatening side effects a drug may have. Found on prescription drug package inserts, it is the most severe warning issued by the FDA. A drug receives a black box warning when it has potentially serious adverse reactions that could result in hospitalization or death. The warning also explains how reactions may be more severe for specific groups, like pregnant women, children, or the elderly. Prescription drugs with black box warnings typically have crucial safety prior authorizations in place to protect at-risk patients from unnecessary harm. Prior authorizations for prescription drugs also protect patients from opioid abuse and severe drug interactions or reactions.

However, moving to a single annual prior authorization for all “chronic” drugs could compromise patient safety by overlooking drug interactions and other safety concerns. According to [a study by the Institutes of Medicine](#), most adverse drug events (ADEs) that patients experience are caused by prescriber errors. These ADEs account for more than 3.5 million physician office visits and 1 million emergency department visits each year. It is believed that preventable medication errors affect more than 7 million patients and cost almost \$21 billion annually. Approximately 30% of hospitalized patients experience at least one medication error upon discharge. Medication errors and ADEs are an underreported burden that adversely impacts patients, providers, and the economy. A study from Johns Hopkins suggests that medical errors, including “unwarranted variation in physician practice patterns that lack accountability,” are now the [third leading cause of death in the U.S.](#)

Texas law already provides significant protections throughout the PA process to ensure members have access to medically necessary and appropriate care.

- Prior authorizations in Texas are already required to be evidenced based (developed and adopted by the medical community) and transparent (publicly available on health plan websites).
- Additionally, Texas has an extensive complaint process for prior authorizations, and health plan decisions can already be appealed to an independent physician.
- Health plans are required to use a standardized form created by TDI and must process PAs quickly. In Texas, most prior authorizations are required to be processed within 3 (calendar) days or less—some of the country’s shortest time frames.
- Texas already has the strongest step therapy protections in the country, including required step therapy exceptions for an alternative drug that: is contraindicated, will likely cause an adverse reaction or other patient harm, is expected to be ineffective, was previously ineffective for the patient or caused an adverse event, or is not in the best interest of the patient based on certain conditions; or for continuity of care for a drug the enrollee is already taking and is stable on.

- There are tight deadlines and appeal procedures for step therapy exception requests, including extensive rights to appeal to an independent physician
- Texas also already has the broadest exemptions to prior authorization in the country including “gold-carding,” which exempts providers with a history of safe and appropriate care. Bills that create blanket exemptions to prior authorizations would reward providers who don’t meet the 90% appropriate prescribing threshold that would make the provider eligible for a gold card.

Prior authorizations not only ensure appropriate health care, they save lives and protect patients. The overuse of prescription drugs and unsafe care in health care is rampant, resulting in harm to patients and wasted money. Doctors themselves believe that [up to 30% of all ordered medical care](#) is unnecessary or unsafe.

For these reasons, we propose the following guardrails to the legislation that would limit its application:

- Remove medications for chronic illnesses from the applicability of the bill. This term is extremely broad, would include almost all medications
- Exempt the following from the prohibition:
 - opioids, benzodiazepines, barbiturates, or carisoprodol;
 - prescription drugs that have a typical treatment period of less than 12 months;
 - drugs which have black box warnings for utilization; and
 - drugs prescribed for use in a manner other than the FDA-approved use.

Sincerely,

M. Blake Hutson

Blake Hutson

Texas Association of Health Plans