

## Statement on HMSA's prior authorization program

January 2025

*As a voice for Hawaii's physicians, the **Hawaii Medical Association** reached out to **HMSA** to engage in a cooperative effort to address prior authorization reform. This statement is in response to our request, and an example of how collaboration and conversation can foster a context for change.*

### **The following statement may be attributed to Stefanie Park, M.D., vice president and chief medical officer, HMSA.**

As a health organization that partners with 7,500 providers to care for more than half of Hawaii's population, it's important for HMSA to protect the health and well-being of our members and to collaborate with our provider partners. As health care costs continue to rise, we cover services and treatments that are medically necessary (evidence-based and cost-effective for the medical condition). These efforts to reduce and prevent fraud, waste, and abuse help to ensure the long-term sustainability of Hawaii's health care system.

Prior authorization is the pre-service review of non-emergency medical services and treatments for cost efficacy, safety, and medical appropriateness for a patient's diagnosis. It's an established cost management strategy at HMSA and a standard across the health care industry to keep health care premiums affordable. Communication is key to the success of any prior authorization program, and we work with our partners accordingly.

HMSA reviews and determines which services require prior authorization based on historical areas of fraud, waste, and abuse.

- The American Medical Association reports that the U.S. spends more on health care than any other country. In 2025, the health care cost trend is expected to increase by 8%.
- About 30% of health care spending is considered waste, such as spending on services that don't improve health outcomes or providing unnecessary or duplicative services.
- Prior authorization saves our members an estimated \$100 million annually in expenses that are medically unnecessary.
- In 2024, HMSA processed about 17 million claims. Prior authorization was required for only 1.2% of those claims, and 91.3% of the prior authorization requests received were approved because they met the current medical policy.
- Medical policies are based on evidence-based guidelines, scientific literature, and Hawaii Revised Statutes (HRS) 432, which define what is medically necessary in this state.

Prior authorization helps to keep our members safe.

- Prior authorization helps to provide patients with safer care alternatives. For example, HMSA's policies redirect pediatric patients from computer tomography (CT) scans to magnetic resonance imaging (MRI), reducing exposure to ionizing radiation that can increase cancer risk over time.
- Prior authorization doesn't apply to emergency care or care that our members receive when they're hospitalized for a medical condition.

We're committed to partnering with health care facilities, the provider community, and government.

- HMSA understands the challenges our provider partners face with prior authorization, particularly with the administrative burden related to submitting these requests. We're committed to modernizing our processes to make it easier for providers to practice medicine in Hawaii.
- We continue to promote understanding of the services that require prior authorization to prevent unnecessary work. This is because HMSA receives a high volume of requests for authorization for services that do not require prior authorization.
- HMSA meets and typically exceeds Centers for Medicare & Medicaid Services and National Committee for Quality Assurance timeliness requirements for prior authorization decisions.
- Providers may access vendor prior authorization platforms to submit electronic requests through our provider portal, Hawaii Healthcare Information Network (HHIN+).
- "Retire the fax machine": Our first step is to reduce and ultimately eliminate the use of the fax machine to modernize the prior authorization process.
- We're expanding our Fast Pass Program, which waives prior authorization for providers with high levels of adherence to HMSA medical policies. Currently, 232 providers have a fast pass for advanced imaging and 72 surgeons have a fast pass for procedures.
- We're continuously evaluating areas we can remove prior authorization and develop alternative payment programs with our partners. For example, we removed prior authorization requirements for bariatric surgery, blepharoplasty, and leadless cardiac pacemakers.
- We'll work with government officials and monitor changes to national regulations and mandates that impact our government programs.

We appreciate the support and partnership of the provider community for their commitment to their patients and our members. We'll continue to work together to improve Hawaii's health and well-being with by providing access to high quality and affordable care.

###