



March 20, 2025

The Honorable Mia Bonta
Chair, Assembly Health Committee
1020 N Street, Room 390
Sacramento, CA 95814

SUBJECT: AB 510 (Addis) – SUPPORT

Dear Assemblymember Bonta:

When timely access to medically necessary care is delayed or denied, waiting patients suffer and medical outcomes are compromised. One major cause of delays in access to care and hospital discharge is the process known as prior authorization.

This is why the California Hospital Association (CHA), on behalf of more than 400 hospitals and health systems, supports Assembly Bill (AB) 510, which would make changes to important components of the prior authorization process and deem requests for services not reviewed within required timelines as approved.

Applied correctly, prior authorization can be a valuable tool to manage utilization and support the delivery of safe and appropriate patient care. Too often, however, prior authorization becomes a barrier, leading to harmful and unnecessary interruptions in care. This, in turn, increases administrative burden on providers and diverts valuable time and resources from patient care to time-consuming communication and appeals. Thoughtful and comprehensive prior authorization reform is needed to ensure that California's residents receive the care that they need when they need it.

Notably, the California Health Benefits Review Program (CHBRP) raised similar concerns in an analysis provided to the 2023-2024 California State Legislature:

CHBRP's findings indicate that prior authorization is an imperfect instrument utilized in a myriad of ways. While prior authorization is used ... to reduce and control health care spending ... the evidence of effectiveness is limited. Robust research remains scant on the impacts of prior authorization on patient access to appropriate care, however, some studies suggest potential harms, such as reduced medication adherence, increased use of other services, and higher overall expenditures.¹

¹ Prior Authorization in California. Report to the 2023-2024 California State Legislature. California Health Benefits Review Program (October 11, 2023). https://www.chbrp.org/sites/default/files/bill-documents/Prior%20Authorization_final.pdf

AB 510 represents basic yet critical steps toward improving the prior authorization process. By requiring the reviewing clinician to have an appropriate level and type of clinical experience and expertise, AB 510 supports a prior authorization process where care decisions are made based on clinical factors and limits the influence of financial factors on care access. The provisions addressing provider/plan communication with prescribed timelines provide mutually beneficial expectations and incentives to ensure an effective and timely prior authorization process. Finally, requiring deemed approval when the prior authorization process exceeds established timelines will ensure that patients will not be subject to compromised medical outcomes that result from unnecessary delays in prior authorization.

For these reasons, **CHA requests your “YES” vote on AB 510.**

Sincerely,



Kalyn Dean
Vice President, State Advocacy

cc: The Honorable Dawn Addis
The Honorable Members of the Assembly Health Committee
Riana King, Principal Consultant, Assembly Health Committee
Justin Bowman, Health Consultant, Assembly Republican Caucus