



March 20, 2025

The Honorable Caroline Menjivar
Chair, Senate Health Committee
1021 O Street, Room 3310
Sacramento, CA 95814

SUBJECT: SB 306 (Becker) — SUPPORT

Dear Senator Menjivar:

When timely access to medically necessary care is delayed or denied, waiting patients suffer and medical outcomes are compromised. A major cause of these harmful delays and denials is the process known as prior authorization. Thoughtful and comprehensive prior authorization reform is necessary to ensure that California's residents can receive the care that they need.

This is why the California Hospital Association (CHA), on behalf of more than 400 hospitals and health systems, supports Senate Bill (SB) 306, which would prohibit a health plan or insurer from imposing prior authorizations for a period of one year if it approved 90% or more of the requests in the previous year.

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 care providers and diverts valuable time and resources from patient care to time-consuming communication and appeals.

Notably, the California Health Benefits Review Program (CHBRP) raised similar concerns in its 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

By eliminating prior authorization for services that are routinely authorized, SB 306 would reduce unnecessary and costly delays in care and allow for additional review and assessment of prior authorization efficacy in more complex cases.

For these reasons, **CHA requests your “AYE” vote on SB 306.**

Sincerely,



Kalyn Dean
Vice President, State Advocacy

cc: The Honorable Josh Becker
The Honorable Members of the Senate Health Committee
Teri Boughton, Principal Consultant, Senate Health Committee
Tim Conaghan and Joe Parra, Health Policy Consultants, Senate Republican Caucus