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February 10, 2025

The Honorable Mike Jacobson
Chair, Banking, Commerce and Insurance Committee
Nebraska Legislature
Room 1507
1445 K Street
Lincoln, NE 68508

Dear Chairman Jacobson,

On behalf of the more than 17,500 members of the American Academy of Dermatology Association, and the over 100 Nebraska Dermatology Society members, we write in support of LB 77, the Ensuring Transparency in Prior Authorization Act. This legislation would be a critical step to ensure patients have access to their prescription medicines by placing guardrails on the use of prior authorization. Prior authorization is a cost containment tool used by health insurance plans requiring physicians and non-physician clinicians to obtain advance approval from a health plan before delivering a specific procedure, service, device, supply or medication.

While we understand the need to manage the unpredictable and growing costs of health care, prior authorization is often a hurdle to accessing medication and other procedures, such as Mohs micrographic surgery, phototherapy, and patch testing. As explained below, we urge the members of the Banking, Commerce and Insurance Committee to support LB 77.

Prior authorization has greatly impacted the ability of our patients to access their medications. According to a 2020 survey of Academy members, approximately one quarter of dermatology patients per day require prior authorization, and only half are successful. Of the 50% who do not access the medication prescribed by their dermatologist, 36% reported receiving a less effective medication and 27% either delayed or abandoned their treatment. Dermatology patients who seek biologics often wait more than two weeks to more than one month to obtain their medications as a result of prior

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authorization. Delays in accessing prescription medications can cause irreparable harm to patients in need of timely access to specific treatments.

The choice of therapy should be between physicians and their patients where consideration of all factors— efficacy and safety of all treatment options, co-morbidities, and support system—are fully vetted and discussed. Dermatologists are uniquely positioned to make the most appropriate therapeutic decisions in collaboration with their patients due to their extensive medical education and training, which includes a minimum of 8 years of medical education (4 years of medical school, 1 year of internship, 3 years (minimum) of a dermatology residency), followed by annual continuing medical education requirements. Prior authorization replaces the medical judgement of the patient's physician with a third party, who lacks the complexity and full history of the patient's condition, into an inappropriate decision-making role.

Further, prior authorization poses significant administrative burdens on dermatology practices. The financial cost to practices averages \$40,000 to either hire or redistribute staff to manage the prior authorization process, which can take up to an average 3.5 hours of work per day. According to dermatology practice administrators, the time spent on prior authorization equates to an average five to eight additional patients per day that could be scheduled.

We appreciate the opportunity to provide written comments on this important public health issue and urge your support for LB 77. As physicians, our number one priority is the health and welfare of our patients. The passage of this legislation will improve access to prescription medications that are in the best interest of the patient. For further information, please contact Lisa Albany, director of state policy for the American Academy of Dermatology Association, at LAlbany@aad.org or (202) 712-2615, or Carmen Chinchilla Executive Director for the Nebraska Dermatology Society at carmencg@nebmed.org.

Sincerely,



Karry LaViolette
Senior Vice President, Advocacy and Policy
American Academy of Dermatology Association