



Students for Patient Advocacy Nationwide

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The Honorable Clint P. Moses, Chair
Wisconsin State Assembly Committee on Health, Aging and Long-Term Care
100 N Hamilton St, Madison, WI 53703
September 29, 2025

Written Proposal: AB 432 – Physician-Led Denial Authority and Insurance Oversight – Support if Amended

Dear Chairman Moses and members of the Wisconsin State Assembly Committee on Health, Aging and Long-Term Care,

We at Students for Patient Advocacy Nationwide (SPAN) are writing to display our conditional support for AB 432, which aims to create denial authority from the physician's end, more timely requirements for insurers, extend approval validity periods, and prevent retroactive coverage cancellations. We recognize and commend the intent of this legislation to shift power away from third-party insurers and towards medical professionals, ensuring patients can receive timely, appropriate care without undue administrative barriers.

While the ideas presented in AB 432 are promising, we raise the following concerns regarding its current structure. We urge consideration of amendments relating to our concerns to ensure the bill truly serves the patient population of Wisconsin:

- **Automatic Authorization Without Safeguards:** As it stands currently, the bill requires that requests for treatment be approved automatically if insurers fail to respond within a 72 hour period for general care or a 24 hour period for emergency procedures and care. While this does contribute to the prevention of delays in treatment, insurers may use this to their advantage by avoiding reviewing specific cases, relying on default approvals instead of doing their responsibility of checking the risk of the procedures. Without more guardrails against this, this could create a greater incentivization for neglect on the insurer's side rather than responsibility as intended.
- **Ethical Concerns with Automated Systems:** Insurers could use AI systems to automatically sort requests, removing the human element of manually approving and denying care. While this does create a greater efficiency in whether care is to be denied or allowed, these systems raise potential ethical issues if certain forms of care that are ethically deep and complex are not reviewed by a physician.
- **Lack of Transparency in Physician-Led Denials:** While the bill does provide a central body to oversee physician denials (under a Wisconsin-licensed medical director), there is insufficient external accountability from that point forward. Without some sense of independent review,



potential risks arise regarding external factors that may alter the medical directors' decisions away from the benefit of the patient.

To address these issues, SPAN proposes the following amendments:

- **Add Financial Penalties:** Establishing a fine structure for insurers who fail to respond within the required timeframes alongside automatic authorization so that insurers cannot take advantage of the automatic authorization process. For instance: first violation is a warning and corrective action plan; subsequent violations are \$500–\$2,000 per case; chronic noncompliances are escalating fines, possible suspension of prior authorization privileges, or mandated third-party oversight.
- **Require Third-Party Review of Denials:** The denials of care made on the physician end should be reviewed by a neutral third-party physician who has no stake in any party, including the insurer, provider, or patient. This ensures that all decisions are within the patient's best interest.
- **Increase Transparency:** Require medical directors to publish summaries of denial decisions to guarantee public accountability and prevent abuse of discretion.

AB 432, with these changes, would have a better balance between insurer accountability, patient protection, as well as physician authority. Importantly, these adjustments avoid unnecessary government overreach while ensuring fairness across the healthcare system.

For these reasons, we urge the committee to support AB 432 if amended to include additional enforcement and oversight mechanisms.

Thank you for your attention and continued leadership on behalf of Wisconsin patients.

Sincerely,

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