



April 17, 2026

Robert C. “Bobby” Scott  
Ranking Member  
Education & Workforce Committee  
2101 Rayburn House Office Building  
Washington, D.C. 20515

**Via Electronic Communication**

Re: “Denied: How the Health Care Industry Stacks the Deck Against Working Families” Report

Dear Mr. Bobby Scott:

Aimed Alliance is a non-profit health policy organization that seeks to protect and enhance the rights of health care consumers and providers. We commend the Committee’s work in its recent report “Denied: How the Health Care Industry Stacks the Deck Against Working Families.” We write to affirm the report’s findings and to share data from our own research that further reinforces the urgent need for action to curb improper health insurance claim denials and to strengthen oversight and enforcement of consumer protection laws intended to protect working families.

As your report documents, there are significant concerns regarding improper claim denials, substantial limitations in claim denial data, and a lack of effective accountability and enforcement mechanisms. Accordingly, we urge Congress to act swiftly to pursue legislative reforms that increase transparency and ensure meaningful oversight of existing consumer protection laws.

**I. Aimed Alliance’s Research on State Oversight Failures**

Aimed Alliance’s research highlights a critical gap between the authority state insurance commissioners possess and how that authority is exercised in practice. While state insurance departments are empowered to enforce consumer protection laws related to step therapy, prior authorization, copay accumulators, and other insurance requirements, enforcement is largely dependent on individual consumers filing complaints.

Recognizing these challenges, Aimed Alliance conducted a comprehensive 50-state analysis to assess how state insurance departments monitor health plan compliance.<sup>1</sup> The research focused on reporting requirements related to utilization management, step therapy, and internal and external appeals. The findings reveal significant gaps in data collection, transparency, and proactive oversight. Specifically:

- Only 4 states require health plans to report specific data on the use of step therapy and prior authorization.<sup>1</sup>

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<sup>1</sup> Aimed Alliance, *2025 State Report: Step Therapy, Oversight, & Artificial Intelligence Trends and Best Practices* (Jun. 2025), [https://aimedalliance.org/wp-content/uploads/2025/06/AA-2025StateReport\\_June\\_2025.pdf](https://aimedalliance.org/wp-content/uploads/2025/06/AA-2025StateReport_June_2025.pdf).

- 24 states require reporting related to internal appeals, external appeals, or both.<sup>ii</sup>
- Just 17 states make any of this data publicly available, either through annual reports or upon request.
  - Only 9 states publish annual reports with this data.<sup>iii</sup>
  - 8 states provide the data only upon request.<sup>iv</sup>
- Only 3 states maintain consumer-facing reports or databases related to grievances or complaints filed with insurance departments.<sup>v</sup>

When appeals data was publicly available, Aimed Alliance attempted to evaluate how often denials were overturned. However, inconsistent reporting standards, timeframes, and data elements across states made meaningful comparisons difficult. Despite these limitations, the available data consistently showed that external appeals are approved at least one-third of the time.

Data from Indiana and Pennsylvania further revealed that over 40 percent of internal appeals result in reversals in favor of the consumer, suggesting that many denied claims should never have been denied in the first place. Most notably, Pennsylvania’s 2023 data showed that out of 2,135,041 denied claims, only 3,156 internal appeals were filed, which is less than 1 percent of all denials. This disparity demonstrates the fundamental inadequacy of relying on appeals and consumer complaints as the primary mechanism for regulatory oversight.

Moreover, Aimed Alliance identified more than 20 states that provide no publicly available information regarding oversight activities or compliance monitoring.<sup>vi</sup> This lack of transparency raises concerns about whether consumer protection laws are being meaningfully enforced at all.

### **I. New York Legislative Effort to Address These Gaps**

Building on these findings, Aimed Alliance is advocating for protections in New York to establish a more comprehensive utilization management transparency framework. The Governor’s FY 2027 Executive Budget proposed collecting information on prior authorization approvals and denials, appeals, and appeal outcomes.<sup>2</sup> However, to ensure these reporting requirements are truly comprehensive, Aimed Alliance proposed amendments to explicitly require health plans to disclose the same information with respect to step therapy practices.

More specifically, beginning September 1, 2027, insurers would be required to annually report:

- The number of approvals and adverse determinations (in whole or in part) issued through utilization review, including determinations involving step therapy protocols;
- The number of appeals filed and the number of those determinations that are reversed versus upheld, in whole or in part.

In addition, detailed public reporting on preauthorization and step therapy activity, would be required, including:

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<sup>2</sup> New York States, *FY 2027 Executive Budget Legislation*, <https://www.budget.ny.gov/pubs/archive/fy27/ex/fy27bills.html#amends>.

- The total number of preauthorization requests received;
- The number approved and the number denied, in whole or in part;
- The number of adverse determinations appealed, and the number reversed or upheld on appeal;
- The 25 current procedural terminology (CPT) codes associated with:
  - the highest volume of preauthorization requests;
  - the highest authorization rates;
  - the highest number of denials;
  - and the highest number of denials later reversed on appeal.

Lastly, it would also require robust reporting specific to step therapy protocols, including:

- The total number of step therapy protocols applied;
- The number of exception or override requests submitted, approved, denied, and appealed;
- Appeal outcomes, distinguishing between reversals and upheld determinations;
- Additional reporting specific to step therapy protocols applied to individuals with serious mental illness.

These requirements would directly address the deficiencies identified in both your report and Aimed Alliance's 50-state analysis by establishing a systematic, transparent, and proactive framework that enables regulators and policymakers to identify patterns of noncompliance.

## **II. Policy Implications and Recommendations**

In the absence of proactive monitoring and adequate enforcement, improper denials will continue to restrict patient access to medically necessary care. Transparency and proactive oversight are essential to ensuring that health plans comply with the law. Accordingly, we urge Congress to act swiftly to advance legislative reforms that enhance transparency and patient protections, and ensure robust oversight and enforcement of existing consumer protection laws.

Thank you for your attention to this matter. If you have any questions, please contact Aimed Alliance at [policy@aimedalliance.org](mailto:policy@aimedalliance.org).

Sincerely,

Olivia Backhaus  
Staff Attorney

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<sup>i</sup> Kentucky, Maine, Massachusetts, and Maryland.

<sup>ii</sup> Arkansas, California, Connecticut, Delaware, Hawaii, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Missouri, Montana, Nebraska, New York, Oklahoma, Pennsylvania, Rhode Island, Tennessee, Utah, Washington, and Wisconsin.

<sup>iii</sup> California, Connecticut, Hawaii, Indiana, New York, Pennsylvania, Utah, Washington, and Wisconsin.

<sup>iv</sup> Delaware, Iowa, Kentucky, Minnesota, Missouri, Nebraska, Oklahoma, and Rhode Island.

<sup>v</sup> Colorado, Michigan, and Wisconsin.

<sup>vi</sup> Alabama, Alaska, Colorado, Florida, Idaho, Illinois, Louisiana, Mississippi, Nevada, New Hampshire, New Jersey, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, South Dakota, Texas, Vermont, Virginia, West Virginia, Wyoming.