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Will ‘gold card’ legislation and others rein in prior authorizations?

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IN COLLABORATION WITH CSRO
Coalition of State Rheumatology Organizations

I live in New Orleans and recently became aware of a piece of state legislation that would create a “gold card” system for prior authorizations in Louisiana. Before delving into what is a gold card and how it works, let’s take a look at the evolution of prior authorizations (PAs).

Commercial health insurance and Medicare/Medicaid had their beginnings in the 1950s and 1960s. Because the government would now be paying for medical services for seniors, there was a concern that there might be an “overutilization” of services. This concern resulted in the concepts of utilization review and “medical necessity.” These utilization reviews morphed into what are now known as utilization management tools (UMTs). The original intent of these tools was to link cost containment to quality assurance.

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PAs are one of a number of UMTs, along with formulary step therapy and nonmedical switching, that are used by health insurance companies and pharmacy benefit managers to determine whether a prescribed product or service is medically necessary and cost effective. Originally, it also meant that the service/treatment would be reimbursed. That is not the case anymore.

Today, physicians face many frivolous PAs for generic medications, such as methotrexate and prednisone, and ironically sometimes higher-priced drugs are preferred over lower-priced ones.

A number of surveys, including a recent one <https://specialtydocs.org/wp-content/uploads/2022/04/ASM-RFI-on-Elec-PA_FINAL.pdf> of more than 1,000 specialty physicians by the Alliance of Specialty Medicine, show that PAs are not only a significant administrative burden on practices but also harm patients with significant delays in accessing needed treatments and diagnostic services.

The often-cited study by Zachary Wallace et al. <https://onlinelibrary.wiley.com/doi/abs/10.1002/acr.24062> clearly demonstrates significant harm to rheumatology patients whose treatments were delayed because of PAs. These delays caused a substantial increase in steroid dosages in patients whose PA was initially denied and even in those patients whose PAs were initially approved. These data and others support the urgent need to address the entire spectrum of PAs.

Such reforms are needed now to stop the indiscriminate use of PAs. Suggestions have included completely eliminating PAs for medications and services that are consistently approved, standardizing electronic forms across all health plans with real-time approval, and others, including "gold card" legislation. In addition to states' efforts, Congress proposed H.R. 3173, the Improving Seniors' Timely Access to Care Act of 2021 <https://www.congress.gov/bill/117th-congress/house-bill/3173?s=1&r=5> , to protect seniors from the harm caused by PAs that are required by Medicare Advantage programs.

This brings us to the topic of gold card legislation, in which physicians would be given a gold card exempting them from PA for specific services (hopefully including prescription drugs). However, the criteria a physician needs to qualify for a gold card could vary from state to state. For example, it could be based on a physician's PA approval rate during a specified review period, or it could be completely up to the insurance company to decide the criteria.

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Texas is the only state that has passed gold card legislation <https://legiscan.com/TX/bill/HB3459/2021> thus far, although there is an active gold card bill in Louisiana <http://www.legis.la.gov/Legis/BillInfo.aspx?s=22RS&b=SB112&sbi=y> (as of this writing). There are a few other states that have introduced gold card bills that have not yet passed, but there is definite interest throughout the country in this concept. In the Texas legislation, physicians would qualify for a gold card if they had a PA approval threshold of 90% for specific medications or services over a 6-month review period.

- Would one gold card cover all drugs, a specific drug, or just a specific drug for a specific diagnosis?
- Will clinicians get bogged down appealing gold card denials/rescissions?
- Will health plans begin denying more requests up front to keep clinicians from qualifying for an exemption?

Unfortunately, the Louisiana gold card legislation has been amended from its original form to exclude "pharmacy services" and qualification for the gold card "shall be at the sole discretion of the health insurance issuer."

Consequently, my initial excitement surrounding the Louisiana gold card legislation, for our specialty, has for the most part disappeared. Nonetheless, there is clear excitement behind the gold card concept throughout the country.

What is clear is that health insurance companies and pharmacy benefit managers have lost sight of the original purpose of UMTs, which is to ensure that patients have access to cost-effective quality care. Over the years, the aggressive use of PAs and other UMTs has led to a significant increase in administrative burden for our offices, and more importantly, a loss of disease control in many of our patients, resulting in an increase in overall health care costs.

While it is extremely disturbing that we need legislation to force health plans to keep our patients safe and ensure quality of care, it certainly proves that now, more than ever, we must make our voices be heard.

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