

August 18, 2017

Commissioner Mike Kreidler
Washington Office of the Insurance Commissioner
PO Box 40260
Olympia, WA 98504
Email: rulescoordinator@oic.wa.gov

RE: Insurance Commissioner Matter No. R 2017-07: Optimizing Prior Authorization, Also Known As Gold Carding

Dear Commissioner Kreidler,

On behalf of the 1.3 million adults and 6,100 children in Washington with doctor-diagnosed arthritis, the Arthritis Foundation welcomes the opportunity to comment on the proposed rulemaking on optimizing prior authorization to ensure a level playing field for consumers and providers.

Recent studies show that optimizing prior authorization through a gold card program could result in significant savings throughout the health care system. In 2008, the Congressional Budget Office (CBO) estimated that a prior authorization program applied to all Medicare physicians for advanced imaging services would reduce spending by \$220 million over 5 years and about \$1 billion over 10 years. Accordingly, applying this to insurers in the state of Washington could provide significant savings.¹

The Arthritis Foundation is committed to breaking down barriers to care and working with you to improve the health and lives of Washingtonians. Over the last year, the Arthritis Foundation has conducted a series of research projects with our constituents to learn more about the unique problems they face. Through extensive interviews, focus groups, and surveys of our constituents, we learned that many people with arthritis face an enormous administrative burden in accessing their health care. The amount of time and resources it requires for many patients to access the treatments they need can be overwhelming, and many of the patients we interviewed described it as a “full time job.” Inappropriate use of prior authorization can lead to disruptions in treatment, which can worsen disease and ultimately lead to greater health costs.

In 2016, the American Medical Association convened a workgroup to develop guidelines on the appropriate use of prior authorization. The Arthritis Foundation and 16 other patient and provider organizations were part of the workgroup, including the Washington State Medical Association. The workgroup's efforts resulted in a set of principles titled, [“Prior Authorization and Utilization Management Reform Principles.”](#) Since the publishing of the principles, more than 100 other patient and provider organizations have signed onto the document.²

Several of the principles could aid the Washington Office of the Commissioner in developing a gold card program. Specifically, these principles hold that “health plans should offer providers/practices at least one physician-driven, clinically based alternative to prior authorization, such as “gold card” or

¹ Mark McClellan, R. B. (2015). Health Policy Issue Brief January 2015. Engelberg Center for Health Care Reform, 8.

² Association, A. M. (n.d.). Prior Authorization and Utilization Management Reform Principles. Retrieved from <https://www.ama-assn.org/sites/default/files/media-browser/principles-with-signatory-page-for-slsc.pdf>

“preferred provider” programs or attestation of use of appropriate use criteria, clinical decision support systems or clinical pathways.” Further, “prior authorization requirements are a burdensome way of confirming clinically appropriate care and managing utilization, adding administrative costs for all stakeholders across the health care system. Health plans should offer alternative, less costly options to serve the same functions.”

Below, please find our comments on the specific questions in the request for comments.

What specific standards do carriers use to determine the eligibility of providers to participate in a gold carding program?

The Arthritis Foundation has looked at how gold card programs have been implemented in other states. These states serve as an example of how the state of Washington might best implement a gold card program.

One such example is the gold card program that the Blue Cross and Blue Shield of Nebraska (BCBSNE) established that rewards providers who follow medical necessity criteria and have a low denial rate on prior authorizations by awarding them a gold card. When a provider reaches gold card status, the provider will no longer need to go through medical necessity review. A gold card provider will use a special gold card fax sheet and submit prior authorization requests for automatic approval. To become a gold card provider, a physician must have at least 50 prior authorization requests with a denial rate of 6 percent or less. Gold card status will be awarded for a 12-month period. Prior to gold card expiration, a random chart audit will be done to ensure the provider is meeting medical necessity requirements. If not, gold card status can be rescinded and the provider must wait 12 months to become eligible again. BCBSNE will add physicians to this list quarterly.³

Other states have used other criteria related to number of requests and a very low denial rate. For instance, in Vermont, in order to qualify for a gold card, a provider must make at least 100 imaging requests in 18 months and the provider must have a denial rate of less than or equal to 3%.⁴ In Alabama, for their Medicaid program, providers with a gold card who maintained a 5% or less denial rate during the above timeframe will continue to have gold card status.⁵

The Arthritis Foundation believes that the standards set in other states surrounding gold card status can provide Washington with a good framework to design a program for the state.

How do you define gold carding?

The Arthritis Foundation utilized state and federal examples to build our recommended definition of gold carding.

³ Nebraska, B. B. (2016, June). *New Gold Card Program for Prior Authorization*. Retrieved from <https://www.nebraskablue.com/~media/pdf/provider/update-newsletters/provider-update-june-2016with-links-53016.pdf?la=en>

⁴ Access, D. o. (2012, November). *Gold Card Process*. Retrieved from <http://dvha.vermont.gov/advisory-boards/goldcardradiologyprocedures.pdf>

⁵ Medicaid, A. (2010, November). *Radiology Management Program "Gold Card Changes"*. Retrieved from http://medicaid.alabama.gov/news_detail.aspx?ID=4012

In Nebraska, as stated above, a gold card provider is a physician that must have at least 50 prior authorization requests with a denial rate of 6 percent or less. Gold card status will be awarded for a 12-month period.

In Vermont, the gold card program applies to high-tech imaging studies (MRI, CT & PET scan) and earned by making at least 100 imaging request in 18 months with a 3% or less denial rate.⁴

The federal government has also considered these types of programs. In 2008, the Government Accountability Office recommended that CMS examine the feasibility of imaging prior authorization and in 2011, MedPAC suggested a modified approach that would require only well-documented, high-use practitioners to participate in a prior authorization program for advanced imaging. The recommended program would require physician outliers - those who order a significantly greater number of advanced imaging services than other physicians who treat clinically similar patients - to participate in a prior authorization process. The approach to targeting only outlier physicians for prior authorization is referred to as gold card recognition, because the majority of physicians who have patterns of high approval rates would receive automatic approval when they order studies. This gold card approach permits targeting of scarce administrative resources, while avoiding any new burdens on most physicians. The targeting approach would also encourage all physicians to be more prudent in their use of imaging to avoid being subject to the new oversight.¹

The Arthritis Foundation would recommend a definition of gold carding as a status obtained by a provider that has maintained a low prior authorization denial rate over either a period of time, 12 to 18 months, or after a substantial amount of prior authorizations submitted.

What consumer and provider protections do you recommend for gold carding programs?

The Arthritis Foundation would recommend a gold card program consistent with the programs tried in other states by ensuring that the providers have maintained a 3-6% denial rate prior to receiving the gold card.

An important consumer protection for gold carding program is transparency behind the criteria which led to the gold card decision. Patients increasingly face challenges in accessing health care and dealing with administrative burdens due to the lack of transparency in our health care system. Transparency is critical to laying the groundwork for policies to be implemented that will make health care work better for patients.

In addition, there should be a plan in place for transitions on and off the gold card programs. Transitions such as this could cause delays in receiving vital care. Thus, in order to allow sufficient time for care delivery, a utilization review entity should not revoke, limit, condition or restrict coverage for authorized care provided within 45 business days from the date authorization was received.

Conclusion

The Arthritis Foundation appreciates that the Washington Office of the Insurance Commissioner is considering this important issue and is soliciting public comments on optimizing prior authorization. A standardized process for prior authorization approvals through the use of a gold card program would



greatly benefit all stakeholders in the health care system, and in particular the millions of patients across the state who rely on regular, timely access to treatment to manage their disease.

The Arthritis Foundation would welcome the opportunity to serve as a resource to the Office of the Insurance Commissioner in the coming months as this important work continues. Thank you for your consideration. Please contact Arthritis Foundation State Advocacy Director Steven Schultz at sschultz@arthritis.org with questions or for further information.

Sincerely,

A handwritten signature in black ink that reads "Anna Hyde".

Anna Hyde
Vice President, Advocacy and Access
Arthritis Foundation