

The logo for the Ohio Association of Health Plans features a stylized lowercase 'i' on the left. The dot of the 'i' is a light blue circle, and the stem is a dark blue shape that curves to the right. To the right of the 'i' is the text 'Ohio Association of Health Plans' in a bold, red, sans-serif font.

Ohio Association of Health Plans

May 22, 2024

Chairman Brian Lampton
House Insurance Committee
77 S. High St., 13th Floor
Columbus, Ohio 43215

Chairman Lampton, Vice Chair Barhorst, Ranking Member Jarrells, and members of House Insurance: my name is Gretchen Blazer Thompson, and I am the Director of Government Affairs for the Ohio Association of Health Plans (OAHP). On behalf of OAHP, thank you for the opportunity to offer opponent testimony to Substitute House Bill 130 (Sub. HB 130), legislation that would require all health plans have a uniform Gold Carding program to allow providers to bypass the prior authorization process.

OAHP is the state's leading trade association representing the health insurance industry. Our member plans provide health benefits to more than 9 million Ohioans through employer-sponsored coverage, the individual insurance market, and public programs such as Medicare, Medicaid, and the Federal Insurance Marketplace. Our members offer a broad range of health insurance products to Ohioans in the commercial marketplace and are committed partners in public programs.

To better understand Sub. HB 130, we first must understand prior authorization and gold carding programs.

What is prior authorization and why is it used? Prior authorization is one of the many tools health plans use to ensure that the care patients receive is safe, effective, and affordable. It is used under the supervision of a medical professional, as it can reduce inappropriate care by catching unsafe or low-value care and targeting where care may not be consistent with the latest clinical evidence. Both of which can contribute to potential harm to patients and unnecessary costs. Specifically, every year low-value care costs the U.S. health care system \$340 billion¹.

What is gold carding? A gold card is a program some health insurers implement which exempts specific providers from prior authorization requirements if they have met specific performance measures. The performance measures ensure that a patient's care continues to be safe, effective, and affordable. These programs are proactively and independently developed by health plans as a tool to attract and retain the best performing providers to their networks.

Ultimately health plans compete with each other to attract and retain the highest performing providers to their network in order to offer the best insurance product to their customers. Therefore, having a gold carding program can be a competitive advantage. However, Sub. HB 130, which requires all health plans to have a uniform gold carding program takes that competitive advantage away.

¹ [202311_AHIP_Prior_Authorization-v20.pdf \(ahiporg-production.s3.amazonaws.com\)](https://www.ahip.org/production/s3.amazonaws.com/202311_AHIP_Prior_Authorization-v20.pdf)

Furthermore, this bill would likely stifle programs and initiatives developed to streamline and minimize the prior authorization process. i.e. elimination of prior authorization in certain procedures and/or instances. Some examples of these programs, both announced in 2023, are:

- United Healthcare reduced prior authorization by nearly 20% of overall volume².
- Cigna removed 25% of medical services from prior authorization³.

While we appreciate the changes the sponsor and proponents made in the substitute bill, it still mandates a uniform gold carding program. This does nothing to allow health plans to retain their competitive advantage, nor account for unique prior authorization reduction programs referenced above.

We challenge you to ask yourself, if health plans are already addressing prior authorization in a free market competitive way, what is the need for this legislation?

Thank you for the opportunity to offer opponent testimony to Sub. HB 130. On behalf of the more than 9 million Ohioans to whom member plans provide health care coverage, we will continue to fight for affordable, accessible health care for all Ohioans.

² <https://www.uhcprovider.com/en/resource-library/news/2023/medical-prior-auth-code-reduction-august.html>

³ <https://newsroom.cigna.com/2023-08-24-Cigna-Healthcare-Removes-25-Percent-of-Medical-Services-From-Prior-Authorization,-Simplifying-the-Care-Experience-for-Customers-and-Clinicians>