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April 24, 2023

Representative Larry Potts, Senior Chair
House Health Committee
North Carolina General Assembly

Dear Chairmen Potts,

America's Health Insurance Plans (AHIP)¹ appreciates the opportunity share our concerns regarding [HB 649](#) with your committee. The proposal contains extensive provisions on utilization review timeframes and disclosures, criteria for reviewers, as well as mandating the voluntary practice of “gold-carding” by waiving utilization review without any guardrails to ensure provider accountability and patient safety. As you may know, the legislation is based on a recently enacted Texas law, HB 3459 (2021) — a bill that passed despite strong opposition. Implementation of the new Texas law is still in its early stages, following a prolonged rulemaking process during which regulators became aware that the law is very problematic. For the reasons outlined below, AHIP respectfully requests that you not move this legislation.

HB 649 would undermine critically important medical management tools that ensure safe and effective patient care. Health insurance providers are committed to ensuring every patient receives high quality care, and have adopted medical management tools, including prior authorization (PA) and utilization review, to promote safe, timely, evidence-based, affordable and efficient care. Prior authorization or the advance approval of coverage for a medical service or prescription drug, improves care coordination, and is supervised by medical professionals.

While the percentage of covered services, procedures, and treatments requiring PA is relatively small (typically less than 15%), plans report that up to 25% of PA requests they receive from clinicians are for care that is not supported by medical evidence. Prior authorization is also critical to identifying potential overuse, misuse, and safety issues before care is delivered. For example, PA can help ensure safer opioid prescribing; help prevent dangerous drug interactions from antibiotics and other infection fighting drugs; and help protect patients from unnecessary exposure to potentially harmful radiation from inappropriate diagnostic imaging, such as CT scans for back pain.

Some health insurance providers have initiated “gold carding” programs to increase efficiencies in PA. In general, these programs relax or reduce PA requirements for health care providers who demonstrate a consistent pattern of high provider performance and adherence to evidence-based medical guidelines.

Where implemented, gold carding is not a blanket exemption from all prior authorization for an indefinite period and it is not a practice that is appropriate for all providers and all services. Gold carding programs

¹ America's Health Insurance Plans (AHIP) is the national association whose members provide coverage for health care and related services to hundreds of millions of Americans every day. Through these offerings, we improve and protect the health and financial security of consumers, families, businesses, communities, and the nation.


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may be targeted to specific services and where used, provider performance can be regularly reviewed and revoked where the provider's standard of practice is inconsistent with the standard of safe, timely, evidence-based, affordable and efficient care. These guardrails are necessary to ensure that providers who receive gold card privileges continue to deliver consistent patterns of high performance to the patients they serve. HB 649 eliminates these important patient protections and distorts the gold carding concept by mandating broad provider exemptions from PA with no concomitant accountability from providers.

HB 649 deprives North Carolinians of nationally recognized standards of care and safety. Limiting who can perform utilization review to North Carolina-licensed providers unnecessarily prolongs the review process and ultimately adds significant costs to customers and patients. These requirements deprive North Carolinians of the medical and scientific expertise available from nationally prominent specialists and other accredited utilization review agents across state lines. In a dynamic health care environment where new technologies and telehealth are increasingly utilized, this bill creates a misguided mandate to limit available medical tools and expertise.

Thank you for your consideration of our comments. AHIP's member plans continue to work to fight for safe and affordable care for the residents of your state and patients, families, and employers across the country. The proposed HB 649 would increase health care costs and undermine important medical management tools that promote patient safety. We therefore ask the committee not to move this bill forward.

Sincerely,



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cc: Luann Perryman, AHIP Retained Counsel
Co-Chairs, Vice Chairs and Members, House Health Committee