

March 2, 2021

Honorable Senator Richard Pan  
Chair, Senate Committee on Health  
California State Capitol  
Sacramento, CA

**RE: Senate Bill 250 – Support**

Dear Chair Richard Pan,

The Arthritis Foundation thanks you for authoring Senate Bill 250 and I hope you will encourage your fellow members of the Senate Committee on Health to support the bill. This bill would reform the prior authorization process by using the data health plans already collect in their current utilization review system – prior authorization records. Senate Bill 250 would relieve physicians from repetitively submitting a prior authorization for a period of two years if their utilization history is typical of other physicians within their same specialty. A physician would be subject to a review at the end of that 2-year period to determine if that physician may continue to be exempt from prior authorization requirements for another two years. This practice has traditionally been called “gold-carding.”

Typically, physicians must fill out a prior authorization form whenever they prescribe a specialty medication or treatment that is restricted or not covered under an insurance carrier’s formulary. Many patients seeking medication vital to their arthritis treatment are held up by prior authorization, a process in which a physician must submit tedious paper work before writing a prescription. As a result, prior authorization typically causes lengthy delays in treatment, thereby restricting a person’s access to vital care. Patients surveyed by the Arthritis Foundation in 2017 indicated that prior authorization was one of the top two most burdensome insurance issues.

The Arthritis Foundation was proud to be on the steering committee, alongside the American Medical Association, in establishing “Prior Authorization and Utilization Reform Principles.”<sup>1</sup> Amongst these principles was that health plans should offer providers/practices at least one physician-driven, clinically based alternative to prior authorization, such as but not limited to “gold-card” or “preferred provider” programs or attestation of use of appropriate use criteria, clinical decision support systems or clinical pathways. 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.

Senate Bill 250 is a piece of a larger examination of utilization management protocols this session by this legislature. The theme throughout each of these reforms is to strike a balance between

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<sup>1</sup> Association, A. M. (n.d.). *Prior Authorization and Utilization Management Reform Principles*. Retrieved from <https://www.ama-assn.org/system/files/2019-06/principles-with-signatory-page-for-slsc.pdf>

ensuring that patients receive their care in a timely manner and health care professionals are not overly burdened with insurance protocols, while still ensuring that health plans have their ability to employ cost control measures.

On behalf of the more than 5.7 million people in California with arthritis, the Arthritis Foundation strongly urges the Senate Committee on Health to support SB 250.

Sincerely,



Steven Schultz  
Director, State Legislative Affairs  
(916) 690-0098  
[sschultz@arthritis.org](mailto:sschultz@arthritis.org)

CC: Members, Senate Committee on Health

