Issue Brief: Gold Carding

An Overview of "Gold Carding" in Prior Authorization Programs

eviCore healthcare

Medical benefits management, including prior authorization programs, is a key tool for payers and employer groups seeking to reduce costs, improve affordability for patients, and enhance patient safety and quality of care. Prior authorization is a process that evaluates requests for tests, treatments, or procedures against evidence-based medical guidelines to ensure that patients get the right care at the right time in the right setting. In recent years, legislators and policymakers have considered requiring that payers implement "gold carding"—exempting specific providers from prior authorization requirements if they have met certain performance measures—to help reduce administrative burden. Evidence has shown, however, that gold carding results in higher costs without improvements to quality of care.

Background

Unnecessary tests, procedures, and therapies impact the quality of care patients receive and drive up costs in the healthcare system, especially for consumers. Doctors estimate that roughly one-fifth of medical care applied in the U.S. is unnecessary[1], and inappropriate care occurs across all specialties. To help ensure care is necessary and appropriate, many medical and prescription drug plans require prior authorization for certain medications or health-care treatments, services, or supplies before they're covered. The prior authorization requests are handled between the insurer and healthcare provider, and the determinations are based on the individual patient's clinical information and up-to-date, evidence-based clinical standards. The programs provide an opportunity to review requests and, when necessary, redirect providers and patients to the testing and treatment option(s) most appropriate for each patient, which helps ensure safety and maximize value.

- The provider community has cited concerns about increased administrative burden associated with prior authorization. In an effort to address these claims, some state legislators and policymakers have considered requiring gold carding. For instance, gold carding legislation could stipulate that providers with a greater-than 90 percent approval rate over a period of 12 months be exempt from prior authorization requirements.
- While it may sound like a logical practice, gold carding has been repeatedly shown to produce only temporary behavior change. A study published in The New England Journal of Medicine found that when incentives were removed for physicians in primary care practices in the United Kingdom, there were immediate reductions in documented quality of care across 12 indicators.[2] Conversely, there was little change in performance on the six quality measures for which incentives were maintained.[3] This indicates that practices such as gold carding perform inconsistently in encouraging and sustaining long-term, positive behavior change. Additionally, when gold carding practices are in place, utilization and associated costs actually run higher due to the absence of cost-management tools such as prior authorization.

Additional benefits lost with gold carding

- **Alternative recommendations:** In cases of denials, prior authorization frequently directs providers to alternative tests, treatments, or procedures that are more appropriate for a patient's needs. During the prior authorization process, evidence-based guidelines are followed exactly, even if it means recommending an alternative that may be more expensive. With gold carding, the opportunity to provide alternative recommendations is lost, resulting in potentially lower-quality or unsafe care for some patients. For example, a patient who might otherwise have received an alternative recommendation for an equally effective, safer test could receive potentially unnecessary and harmful radiation exposure.
- **Sentinel effect:** Under gold carding, the sentinel effect—a phenomenon whereby performance improves when individuals know they're being evaluated—is lost because providers in the prior authorization program who qualify for gold carding are no longer being evaluated.

[1] PLOS ONE, Overtreatment in the United States, Sept. 2017
[2] https://www.nejm.org/doi/full/10.1056/NEJMsa1801495
[3] Ibid

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- **Provider specialization and clinical expertise:** Having deep knowledge and experience in one clinical area does not easily translate to practice in other seemingly related areas. Providers who qualify for gold carding are automatically approved for all service requests, even if the request falls outside of their specialty. For example, a neurologist who may be highly skilled in using brain MRI procedures to assess patients with a headache, but not be as experienced in using a joint MRI to assess a patient with knee pain, would be automatically approved for both.
- **Checks on self-referrals:** Self-referral occurs when providers order tests that they conduct themselves or they have conducted by someone who provides them a financial incentive. Self-referrals generally lead to increased utilization and costs. For example, the U.S. Government Accountability Office (GAO) reviewed Medicare data from 2004 – 2010 and found that the number of self-referred MRI services increased by more than 80%, while MRI services without self-referrals increased only 12% during the same timeframe.[4] The report also found that providers' referrals for MRI services substantially increased the year after they began to self-refer—growing by about 67%.[5] Prior authorization provides an important check on self-referral to ensure requested services are necessary and appropriate for each patient.

Alternatives to gold carding

Several alternatives to gold carding can help achieve the same objectives while preserving the numerous benefits of prior authorization. For example, eviCore uses a predictive intelligence system to recognize provider expertise and identify ordering patterns of individual providers. Requests from providers who are ordering appropriately are then prioritized for review and approval, which helps speed the process. Requests from providers who have lower approval ratings are reviewed more carefully. We urge policymakers to consider these types of alternatives to help ensure patient safety and preserve quality.

eviCore prior authorization by the numbers

- Nearly **100,000** requests processed daily
- **70%** of decisions are rendered **within one hour**
- **96% of requests** receive medical necessity determinations within **two business days**

[4] https://www.gao.gov/products/GAO-12-966
[5] Ibid

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