

# Say No to SB 598: A Prescription for Low-Value Healthcare



Californians deserve safe, high quality, high-value health care. Yet SB 598 will derail the progress we have made in our health care system by lowering the value and safety that Californians should expect from their health care providers.

## What is low-value health care?

Medical services, procedures, tests, and treatments for which there is little to no benefit and has the potential for physical or financial harm to the patient, such as unnecessary CT scans or MRIs for uncomplicated conditions.

A 2019 JAMA Network study proves that low-value care is costly, finding that the U.S. health care system spends **\$14.4 billion and \$29.1 billion annually** on these low-value services, also sometimes called “cascades” of unnecessary care.

Prior authorization helps prevent the cascades of unnecessary tests, treatments, or procedures that, according to a recent national survey, **90% of physicians** said they've seen bring physical or financial harm to a patient.

### Prior Authorization is Used in Limited Circumstances to:

- Lower a patient's out of pocket costs
- Protect patients and prevent overuse, misuse, or unnecessary (or potentially harmful) care
- Ensure care is consistent with evidence-based practices

Just like doctors use scientific evidence to determine the safest, most effective treatments, health plans rely on data and evidence to understand what tools, treatments and technologies deliver the greatest value to improve patient health. **Prior authorization is not used for routine care.**

### By dismantling prior authorization, SB 598 could lead to:

- An increase in unnecessary and ultimately harmful patient services
- Harm to patients by allowing doctors to prescribe medication that could have a harmful interaction with another medication the patient is using – which is checked during the prior authorization process
- Consumer confusion and increased health care premiums due to a fundamentally altered payment structure in our healthcare system

### SB 598 Will Increase Waste, Fraud, and Abuse

SB 598 gives specified providers a blank check to perform and/or prescribe medically unnecessary procedures and medications, including those most frequently linked to fraud, abuse and medical waste.

SB 598 is a one-size-fits-all bill that will decrease health care transparency, raise premiums, and threaten patient safety.

# Vote No on SB 598

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## Don't Let California Take Its Policy Leads from Texas

### SB 598 is Modeled After a Failed Texas Law That Has Become a Billion Dollar "Implementation Nightmare"

In 2021 the Texas legislature passed a similar bill to SB 598. Since its passage, the law has been nearly impossible to implement.

Texas is the only state in the nation that has passed a gold carding program. Now, California is considering following in its footsteps with SB 598.

The Texas law that resembles SB 598 is estimated to increase premiums for Texas's small businesses and individuals by more than \$1 billion a year.

### Texas is now experiencing a logistical nightmare in operationalizing their bill.

#### According to the Texas Association of Health Plans:

“Under the Texas law, employers would have to cover and pay for 100% of these unnecessary, and unsafe procedures. In Texas, it's estimated to increase premiums for small businesses and individuals by more than **\$1 billion a year** in the fully insured market alone. One of our largest health plans estimates that it will cost employers **\$500 million a year** alone to end prior authorizations for just its members...

“...Every day we are learning more about the unintended consequences of this law. Even if you support reducing the administrative burden for providers, don't rush into passing an untested version of this very expensive mandate...

“...If you try to pass prior authorization legislation that excludes input from the industry that will have to implement it and the employers that will have to pay for it, you will end up with the same logistical nightmare Texas is dealing with now.”

### SB 598 will cost California employers and health care system untold hundreds of millions of dollars.

■ Gold carding would allow many doctors to treat patients without being subject to prior authorization for one year – essentially eliminating the proven checks and balances of our health care system and creating a major patient safety issue.

■ Unchecked medical tests and prescribing of drugs can easily spiral into a series of further testing and misdiagnosis that can harm California patients and cost them, and their employers, untold hundreds of millions of dollars.

Prior authorization, which already is only used in limited circumstances, has been proven time and time again to reduce costs, promote safety, and prevent waste for patients, consumers, and employers.

Just as Texas lawmakers were before they passed their fateful gold carding bill, California's lawmakers are flying blind by moving forward with SB 598 without an internal CHBRP analysis of the true cost of the bill.

Don't follow Texas's lead on health care – California can do better. **Vote No on SB 598**