



April 22, 2020

The Honorable Chairman Jim Wood  
Assembly Committee on Health  
California State Legislature  
Sacramento, CA 95814

**Re: NORD support for AB 2144, to create common-sense utilization management protections for patients**

Dear Chairman Wood and Members of the Assembly Committee on Health,

On behalf of the 1-in-10 individuals in California with one of the approximately 7,000 known rare diseases, the National Organization for Rare Disorders (NORD) thanks you for the opportunity to submit a letter of support for AB 2144, legislation that would implement common-sense patient protections pertaining to utilization management protocols.

NORD is a unique federation of voluntary health organizations dedicated to helping people with rare "orphan" diseases and assisting the organizations that serve them. We are committed to the identification, treatment, and cure of rare disorders through programs of education, advocacy, research, and patient services.

NORD believes strongly that all patients deserve the medical care that is best suited for their medical situation and will give them the best results. Based on the reports we receive from member organizations and individuals, utilization management tools such as prior authorization and step therapy requirements are increasingly being applied by health plans in California with little regard for a patient's treatment history and specific medical needs.

Step therapy is a procedure by which insurers (public or private) require patients to take one or more alternative medications before being put on the medicine preferred by their provider. While this is done by insurers as an attempt to control health care costs, it can often be applied inappropriately, without consideration of the clinical practicalities. As a result, in many cases, these requirements can delay appropriate treatment and ultimately increase costs, not lower them.

As the use of step therapy has increased, so has the need for states to ensure that these requirements do not needlessly interfere with appropriate care for patients. For instance, in some cases, patients switching insurance plans may be required to stop taking a successful treatment and start taking a medicine that they have already failed on simply because the step therapy protocol does not take into account whether a patient has failed a medicine while covered by another insurer.



AB 2144 would address this issue by providing new protections for patients when health plans implement utilization management policies. First, this legislation would create a transparent and standard utilization management process for prescribing health care providers and patients. It would also protect patients from having to try a medication that is contraindicated or likely to cause an adverse reaction and allow a step therapy exception if patients are stable on a prescription drug selected by their health care provider for the medical condition while covered by their current or previous health insurance policy. It also requires that a clinical peer with the same or similar specialty as the health care provider who typically manages the medical condition make the utilization management decision on behalf of health plans.

In order to guarantee patient safety, especially for rare disease patients, California needs to ensure that utilization management policies do not interfere with appropriate care. By implementing the protections created in AB 2144, your Committee will be protecting patients while still enabling health plans to achieve the cost saving benefits of utilization management when appropriate.

Thank you for the opportunity to comment on this important legislation. For further questions, please feel free to contact NORD's Director of State Policy, Heidi Ross ([hross@rarediseases.org](mailto:hross@rarediseases.org)).

Sincerely,

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