

Department of Planning and Budget 2015 Fiscal Impact Statement

1. Bill Number: HB 1942

House of Origin	<input type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input checked="" type="checkbox"/> Enrolled

2. Patron: Habeeb, Gregory D.

3. Committee: Passed Both Houses

4. Title: Health insurance; carrier business practices, prior authorization provisions

5. Summary: The enrolled bill requires certain health insurance contracts under which an insurance carrier or its intermediary has the right or obligation to require preauthorization for a drug benefit to include provisions governing the preauthorization process. Required provisions address (i) acceptance by carriers of telephonic, facsimile, or electronic submission of prior authorization requests that are delivered from e-prescribing systems, electronic health record systems, and health information exchange platforms that utilize certain standards; (ii) time limits for communicating to the prescriber that a request is approved, denied, or requires supplementation; (iii) providing reasons for denial of a request; (iv) honoring a prior authorization approved by another carrier; (v) use of a tracking system for prior authorization requests; and (vi) making formularies, drug benefits subject to prior authorization, prior authorization procedures, and certain forms available through the carrier's website. The measure also requires certain organizations to convene a workgroup to identify common evidence-based parameters for carrier approval of certain prescription drugs.

6. Budget Amendment Necessary: No

7. No Fiscal Impact

8. Fiscal Implications: None

9. Specific Agency or Political Subdivisions Affected:

State Corporation Commission
Commission's Bureau of Insurance

10. Technical Amendment Necessary: No

11. Other Comments: None

Date: 2/25/15