

State Corporation Commission

2019 Fiscal Impact Statement

1. Bill Number: SB1607

House of Origin ☐ Introduced ☒ Substitute ☐ Engrossed
Second House ☒ In Committee ☐ Substitute ☐ Enrolled

2. Patron: Dunnavant

3. Committee: Commerce and Labor

4. Title: Health insurance; carrier business practices; authorization of health care services.

5. Summary: Provides that if a carrier has previously authorized an invasive or surgical health care service as medically necessary and during the procedure the health care provider discovers clinical evidence prompting the provider to perform a less or more extensive or complicated procedure than was previously authorized, then the carrier shall pay the claim, provided that it is appropriately coded consistent with the procedure actually performed, , the additional procedures were not investigative in nature, and the additional procedure was compliant with a carrier's post-service claims process. The measure requires any provider contract between a carrier and a participating health care provider to contain certain specific provisions addressing how carriers interact with prior authorization requests. The measure requires that no prior authorization is required for at least one drug prescribed for substance abuse medication-assisted treatment, provided that (i) the drug is a covered benefit, (ii) the prescription does not exceed the FDA labeled dosages, and (iii) the drug is prescribed consistent with the regulations of the Board of Medicine. The measure clarifies that the 24-hour period during which a carrier is required to communicate to a prescriber if an urgent prior authorization request submitted telephonically or in an alternate method directed by the carrier has been approved, denied, or requires supplementation includes weekend hours. The measure provides that a carrier shall not be required to pay a claim if the carrier has previously authorized health care service if, during the post-service claims process, it is determined that the claim was submitted fraudulently.

6. Budget amendment necessary: No

7. Fiscal Impact Estimates: No Fiscal Impact on the State Corporation Commission

8. Fiscal Implications: None on the State Corporation Commission

9. Specific agency or political subdivisions affected: State Corporation Commission Bureau of Insurance

10. Technical amendment necessary: No. The provision in Subsection B 11 in the introduced version of Senate Bill 1607 the Bureau of Insurance had previously commented has been removed from the amendment in the nature of a substitute to Senate Bill 1607.

11. Other comments: None

Date: 02/11/19/V. Tompkins