

Department of Planning and Budget 2022 Fiscal Impact Statement

1. **Bill Number:** SB428

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

2. **Patron:** Dunnavant

3. **Committee:** Passed both houses

4. **Title:** Health insurance; carrier disclosure of certain information.

5. **Summary:** The amendments to this bill require a carrier to maintain an online process that links directly to e-prescribing systems and that can also accept electronic prior authorization requests from a provider. This online process also shall approve requests that meet carrier's criteria for which no clinical review is needed. The carrier shall not impose charges through this process or access provider data without consent. By July 2025, it is required to ensure any e-prescribing or electronic health record system has the ability to access this electronic prior authorization process. A provider may request a waiver of compliance for less than a year from this provision, given undue hardship. Furthermore, by July 2025, carriers or pharmacy benefit managers must provide real-time cost information to enrollees and contracted providers for covered prescription drugs. Additionally, the bill directs the State Corporation Commission to convene a work group to assess the current status of electronic prior authorization and to make recommendations regarding the implementation of this process. The bill contains a reenactment clause for the 2023 General Assembly session.

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:** See item 8

8. **Fiscal Implications:** The State Corporation Commission (SCC) indicates it can absorb the fiscal impact associated with the work group proposed in SB428 within its current operating budget and without additional resources. The SCC notes that there are several legislative proposals advancing that require the agency to conduct a study, write a report, or lead a workgroup. When considered in combination with one or more additional studies, reports, and work groups assigned to the SCC within other pending legislative proposals, the SCC estimates the fiscal impact for FY 2023 to be between \$100,000 and \$300,000, depending on the number of additional studies, reports, and work groups.

The Department of Human Resource Management and the Department of Medical Assistance Services do not anticipate a fiscal impact from this legislation.

9. **Specific Agency or Political Subdivisions Affected:** State Corporation Commission

10. **Technical Amendment Necessary:** No

11. Other Comments: This bill is similar to HB360.