

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB 3190
Version:	FA1
Request Number:	10728
Author:	Rep. Newton
Date:	3/13/2024
Impact:	OMES FY-25: \$1,400,000 OMES FY-26: Increase with Admin Fee Trends

Research Analysis

The floor substitute to House Bill 3190 requires utilization review entities to make their prior authorization requirements, including clinical criteria, easily accessible on their websites for both enrollees and health care providers. Any changes to these requirements must be communicated clearly and in advance. All adverse determinations and appeals must be made by a physician or licensed mental health professional who possesses appropriate credentials and training. Adverse determinations must be made under the clinical direction of a medical director. Health benefit plans must implement and maintain a Prior Authorization Application Programming Interface (API) for electronic processing of prior authorizations. Healthcare providers must have compatible electronic systems by a specified date. Utilization review entities must make staff available to communicate regarding prior authorizations during and after business hours. Treating providers must have the opportunity to discuss prior authorization denials. Utilization review entities must make prior authorization or adverse determinations within specified timeframes, depending on the urgency of the health care service. The measure prohibits prior authorization requirements for emergency health care services and pre-hospital transportation. It also mandates coverage for emergency services in accordance with existing laws. Prior authorizations for chronic conditions must remain valid for a certain period, with provisions for continued authorization if necessary. Procedures are outlined for continued authorization of inpatient care for chronic conditions beyond initially approved periods, including provisions for appeals and compensation. Utilization review entities must honor prior authorizations from previous entities for a specified period when an enrollee changes health plans or products within the same company.

CHANGES IN FLOOR SUBSTITUTE AND INTRODUCED VERSION:

The floor substitute removes various provisions regarding prior authorization. Specifically, exceptions for prior authorization, the length of prior authorization, standards for transmission of authorization, and provisions covering failure to comply.

Prepared By: Matthew Brenchley

Fiscal Analysis

HB 3190 specifies the requirements of a utilization review entity to ensure transparency when performing prior authorizations for health insurers. In addition, a health benefit plan is required to implement and maintain a Prior Authorization Application Programming Interface (API).

Officials from the Employees Group Insurance Division of the Oklahoma Office of Management and Enterprise Services (OMES-EGID) provided the following statement based on the review of the floor amendment by HealthChoice's Third Party Administrator, UMR. "The annual cost impact is expected to be One Million Four Hundred Thousand Dollars (\$1,400,000), resulting in a 0.1% increase in total premium. It is expected the impact beyond the first year would increase based on administrative fee trends."

Therefore, the fiscal impact on the state budget for FY-25 is anticipated to be \$1,400,000.

Prepared By: Alexandra Ladner, House Fiscal Staff

Other Considerations

None.