

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 468** HLS 23RS 602

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 26, 2023	8:58 AM	Author: PRESSLY
Dept./Agy.: Insurance and Office of Group Benefits		Analyst: Patrice Thomas
Subject: Utilization Review Standards		

INSURANCE/HEALTH

OR SEE FISC NOTE

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Provides relative to utilization review standards and approval procedures for healthcare service claims submitted by healthcare providers

Proposed law requires a health insurance issuer that mandates a satisfactory utilization review as a condition of payment from a claim of a healthcare provider to maintain a documented prior authorization program that utilizes evidenced-based clinical review criteria. Proposed law authorizes a third-party utilization review entity, that meets the standards of a national accreditation organization, to perform utilization review. Proposed law authorizes a healthcare provider to submit a request for utilization review at any time, including outside normal business hours, and requires a health insurance issuer to notify provider of clinical review criteria within 24 hours and maintain a system of recording supporting clinical documentation. Proposed law provides for determinations that are neither concurrent nor retrospective review; based on exigency; concurrent review; retrospective review; and adverse determinations. If the issuer fails to decide within the timeframes prescribed in proposed law, the issuer is prohibited from denying a claim based on a lack of prior authorization. Proposed law requires certification of prior authorization to remain valid for a minimum of 6 months.

EXPENDITURES	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						
REVENUES	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>	<u>5 -YEAR TOTAL</u>
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Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The Office of Group Benefits (OGB) reports the definition of "health insurance issuer" in the proposed law does not include OGB. Therefore, the proposed law is not anticipated to have an impact on the expenditures within OGB. The Legislative Fiscal Office (LFO) anticipates the proposed legislation may have an impact on health insurance policies issued under the health insurance exchanges/marketplace. The LFO is awaiting further information on the impact from the LA Department of Insurance.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

Evan Brasseaux
Interim Deputy Fiscal Officer