

Regular Session, 2012

SENATE BILL NO. 231

BY SENATORS MURRAY, MILLS AND THOMPSON

HEALTH/ACC INSURANCE. Provides relative to prior authorization forms. (gov sig)

1 AN ACT

2 To enact R.S. 22:1006.1, relative to prior authorization forms; to provide with respect to the
3 issuance and use of prior authorization forms; to provide for an effective date; and
4 to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 22:1006.1 is hereby enacted to read as follows:

7 **§1006.1. Prior authorization forms required; criteria**

8 **A. As used in this Section:**

9 **(1) "Health insurance issuer" means any entity that offers health**
10 **insurance coverage through a plan, policy, or certificate of insurance subject to**
11 **state law that regulates the business of insurance. "Health insurance issuer"**
12 **shall also include a health maintenance organization, as defined and licensed**
13 **pursuant to Subpart I of Part I of Chapter 2 of this Title.**

14 **(2) "Health benefit plan", "plan", "benefit", or "health insurance**
15 **coverage" means services consisting of medical care, provided directly, through**
16 **insurance or reimbursement, or otherwise, and including items and services**
17 **paid for as medical care under any hospital or medical service policy or**

1 certificate, hospital or medical service plan contract, preferred provider
2 organization, or health maintenance organization contract offered by a health
3 insurance issuer. However, excepted benefits are not included as a "health
4 benefit plan".

5 (3) "Prior authorization" shall mean a utilization management criteria
6 utilized to seek permission or waiver of a drug to be covered under a health
7 benefit plan that provides prescription drug benefits.

8 (4) "Prior authorization form" shall mean a standardized, uniform
9 application developed by a health insurance issuer for the purpose of obtaining
10 prior authorization.

11 B. Notwithstanding any other provision of law to the contrary, in order
12 to establish uniformity in the submission of prior authorization forms, on and
13 after January 1, 2013, a health insurance issuer shall utilize only a single,
14 standardized prior authorization form for obtaining any prior authorization for
15 prescription drug benefits. Such form shall not exceed two pages in length,
16 excluding any instructions or guiding documentation. Such form shall be
17 accessible through multiple computer operating systems. Additionally, the
18 health insurance issuer shall submit its prior authorization forms to the
19 Department of Insurance to be kept on file on or after January 1, 2013. A copy
20 of any subsequent replacements or modifications of a health insurance issuer's
21 prior authorization form shall be filed with the Department of Insurance within
22 fifteen days prior to use or implementation of such replacements or
23 modifications.

24 Section 2. This Act shall become effective upon signature by the governor or, if not
25 signed by the governor, upon expiration of the time for bills to become law without signature
26 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
27 vetoed by the governor and subsequently approved by the legislature, this Act shall become
28 effective the day following such approval.

The original instrument was prepared by Cheryl Horne. The following digest, which does not constitute a part of the legislative instrument, was prepared by Jeanne Johnston.

DIGEST

Murray (SB 231)

Proposed law provides for definitions as follows:

"Health insurance issuer" means an entity that offers health insurance coverage through a plan, policy, or certificate of insurance subject to state law regulating the business of insurance. Includes health maintenance organizations as defined in present law in such definition.

"Health benefit plan", "plan", "benefit" or "health insurance coverage" means services consisting of medical care provided directly through insurance or reimbursement, or otherwise, including items and services paid for as medical care under a hospital or medical service policy or certificate, hospital or medical service plan contract, preferred provider organization, or health maintenance organization contract offered by a health insurance issuer. Specifies that excepted benefits are not included as a health benefit plan.

"Prior authorization" means a utilization management criteria utilized to seek permission or waiver of a drug to be covered under a health benefit plan that provides prescription drug benefits.

"Prior authorization form" means a standardized, uniform application developed by a health insurance issuer for the purposes of obtaining prior authorization.

Proposed law, applicable on and after January 1, 2013, requires a health insurance issuer that provides prescription drug benefits to use only a single, standardized prior authorization form for obtaining any prior authorization for prescription drug benefits. Provides that such form shall not exceed two pages in length (exclusive of instructions or guiding documentation), be accessible through multiple computer operating systems, and be filed with the Department of Insurance on or after January 1, 2013. Further provides that replacements or modifications of a prior authorization form must be filed with the Dept. of Insurance within 15 days prior to use or implementation.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 22:1006.1)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill.

1. Provides definitions for "health insurance issuer", "health benefit plan", "plan", "benefit", "health insurance coverage", "prior authorization" and "prior authorization form".
2. Requires a health insurance issuer to use only a single, standardized prior authorization form for obtaining any prior authorization for prescription drug benefits. Requires the form to be accessible through multiple computer operating systems. Further provides that such form shall not exceed two pages in length and be filed with the Department of Insurance on or after January 1, 2013.

Senate Floor Amendments to engrossed bill.

1. Makes technical changes.