

HB 1976 -- PRIOR AUTHORIZATION OF HEALTH CARE SERVICES

SPONSOR: Stinnett

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Healthcare Reform by a vote of 10 to 0. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by the vote of 10 to 0.

This bill provides that a health carrier or utilization review entity cannot require health care providers to obtain prior authorization for health care services, except under certain circumstances.

Prior authorization shall not be required unless a determination is made that less than 90% of prior authorization requests submitted by the health care provider in the previous evaluation period, as defined in the bill, were or would have been approved.

The bill establishes separate thresholds for requiring prior authorization for individual health care services or requiring prior authorization for all health care services.

The bill specifies requirements for notifying the provider of determinations in the bill, requires carriers and utilization review entities to maintain an online portal giving providers access to certain information, and provides that prior authorizations may be required beginning 25 business days after notice to the provider until the end of the evaluation period. Failure to notify providers of a determination as required in the bill will constitute prior authorization of the applicable health care services.

Lastly, no health carrier or utilization review entity can deny or reduce payments to a health care provider who had a prior authorization, unless the provider made a knowing and material misrepresentation with the intent to deceive the carrier or utilization review entity, or unless the health care service was not substantially performed.

This bill will not apply to Medicaid, except with regard to a Medicaid managed care organization as defined by law. The bill also does not apply to providers who have not participated in a health benefit plan offered by the carrier for at least one full evaluation period.

This bill will not be construed to authorize providers to provide services outside the scope of their licenses, nor to require health

carriers or utilization review entities to pay for care provided outside the scope of a provider's license.

This bill is similar to HB 1045 (2023).

PROPOSERS: Supporters say that prior authorizations can stand in the way of patients accessing specific care, and also pose a notable administrative burden, particularly for non-physician staff members. Many doctors already receive high rates of prior authorization, and that while this does function as a form of checks and balances, there are other tools that exist to ensure compliance of stakeholders. Additionally, the fear of being denied insurance coverage can reduce adherence to patient care plans or prevent patients from continuing treatment. Most insurance companies also conduct post-payment reviews ensuring that services meet medical necessity.

Testifying in person for the bill were Representative Stinnett; ALS Association; Missouri Society of Eye Physicians and Surgeons; Missouri Chapter, American Academy of Pediatrics; Missouri Nurses Association; Mosaic Life Care; Arnie C. Dienoff; John Paulson DO PHD, Missouri Academy of Family Physicians; Akin Cil, Uh - UMKC; Teresa Coyan, Coxhealth; Missouri Hospital Association; Quest Diagnostics; Jessica Nichols, University of Missouri Health Care; University Health Kansas City; Missouri State Medical Association; Jefferson City Medical Group; BJC Healthcare, Missouri Assn of Rural Health Clinics, National Association of Social Workers Mo Chapter, and Ranken Jordan.

OPPOSERS: Those who oppose the bill say that the government should not mandate certain terms of operation to companies, and that this bill would codify waste and abuse of services so long as the 90% threshold referenced in the bill would be met. Prior authorization should not be considered red tape or interference with physicians, but instead serves as a way for insurance companies to ensure appropriate use and safety of medication, as well as control costs.

Testifying in person against the bill were Michael Henderson, Missouri Insurance Coalition; CVS Health; America's Health Insurance Plans; Pharmaceutical Care Management Association; Missouri Health Plan Association; and the St. Louis Area Business Health Coalition.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.