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MEMORANDUM

To: House Committee on Insurance

From: Office of Revisor of Statutes

Date: February 20, 2023

Subject: Bill Brief, HB 2283

House Bill 2283 establishes the Ensuring Transparency in Prior Authorization Act, and would enact nine new provisions of law regulating the use of prior authorization and utilization review in the provision of healthcare services.

Section 1 of the bill gives the citation of the act and states that it shall be a part of and supplemental to Article 32 (Health Maintenance Organizations and Medicaid Provider Organizations) of Chapter 40 of the Kansas Statues Annotated. Section 1 also provides the definitions for the act.

Section 2 requires that, not later than January 1, 2024, a utilization review entity utilize secure electronic transmission when accepting and responding to prior authorization requests for pharmacy benefits. This section also requires a utilization review entity to utilize and respond to prior authorization requests for healthcare services using a secure electronic portal at no cost to a healthcare provider.

Section 3 of the bill requires a utilization review entity to render a prior authorization or adverse determination within 24 hours of receiving all information requested to complete a review of requested urgent healthcare services and notify the enrollee and the enrollee's healthcare provider. The section also requires an enrollee and the enrollee's healthcare provider notify the utilization review entity of the provision of emergency healthcare services or emergency admission not less than 24 hours after the admission or provision of services. This section also sets out requirements for the provision of regular healthcare services and for the treatment of a chronic or long-term care condition.



Section 4 of the bill prohibits a utilization review entity from requiring prior authorization for birth by cesarean section or vaginal delivery or neonatal intensive care services and also prohibits notification of such services as a condition of payment.

Section 5 prohibits retroactive denial of prior authorization for a covered healthcare service unless the prior authorization was obtained based on fraudulent information.

Section 6 of the bill states that a healthcare provider may appeal any adverse determination of a prior authorization request.

Section 7 of the bill provides for a process by which a provider may be exempted from prior authorization requirements, if in the most recent six month period, the health maintenance organization or insurer has approved or would have approved not less than 90% of the prior authorization requests submitted by the provider for such specific healthcare service.

Section 8 requires that a utilization review entity disclose all of its requirements and restrictions related to prior authorization and requires that each utilization review entity submit a statistical report about the utilization review entity's prior authorization practices.

Section 9 is a severability clause, which means that if any portion of the act is found unconstitutional or invalid, the rest of the act would still be valid and in effect.

If enacted, HB 2283 would be in effect upon its publication in the Kansas Register.