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## Health Care & Wellness Committee

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### E2SSB 5267

**Brief Description:** Developing standardized prior authorization for medical and pharmacy management.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Becker, Keiser, Conway, Ericksen, Bailey, Dammeier, Frockt and Schlicher).

<p style="text-align: center;"><b>Brief Summary of Engrossed Second Substitute Bill</b></p> <ul style="list-style-type: none"><li>• Creates a work group to develop criteria to streamline the prior authorization process for prescription drugs, medical procedures, and medical tests.</li></ul>
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**Hearing Date:** 3/26/13

**Staff:** Jim Morishima (786-7191).

**Background:**

Prior authorization is the requirement that a health care provider seek approval of a drug, procedure, or test before seeking reimbursement from an insurer. Health carriers and other payors use a variety of different forms for different services.

Pursuant to legislation passed in 2009, the Office of the Insurance Commissioner (OIC) designated a lead organization (OneHealthPort) to develop processes, guidelines, and standards to streamline health care administration. The OIC and OneHealthPort facilitated a work group to develop best practice recommendations, including best practice recommendations on prior authorization. The best practice recommendations on prior authorization include recommendations on browser-based prior authorization requests, standard notification timelines, and extenuating circumstances around prior authorization.

**Summary of Bill:**

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

A work group is established to develop criteria to streamline the prior authorization process for prescription drugs, medical procedures, and medical tests, with the goal of simplification and uniformity. The work group is co-chaired by the chair of the House Health Care and Wellness Committee and the chair of the Senate Health Care Committee. Members of the work group are determined by the co-chairs and may not exceed 11 members.

The work group must examine elements that may include:

- national standard transaction information for sending or receiving authorizations electronically;
- standard transaction information and uniform prior authorization forms;
- clean, uniform, and readily accessible forms for prior authorization, including determining the appropriate number of forms;
- a core set of common data requirements for non-clinical information for prior authorization and electronic prescriptions, or both;
- the prior authorization process, which considers electronic forms and allows for flexibility for carriers to develop electronic forms; and
- existing prior authorization forms by insurance carriers and by state agencies, in developing the uniform prior authorization forms.

The work group must:

- establish timelines for urgent requests and timeliness for non-urgent requests;
- work on a receipt and missing information time frame;
- determine time limits for a response of acknowledgement of receipts or request of missing information;
- establish when an authorization request will be deemed as granted when there is no response; and
- submit its recommendations to the appropriate committees of the Legislature by November 15, 2013.

**Appropriation:** None.

**Fiscal Note:** Requested on March 14, 2013.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.