

# FINAL BILL REPORT

## ESSB 6511

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Synopsis as Enacted

**Brief Description:** Addressing the prior authorization of health care services.

**Sponsors:** Senate Committee on Health Care (originally sponsored by Senators Becker and King).

**Senate Committee on Health Care**  
**House Committee on Health Care & Wellness**

**Background:** The 2013 Legislature passed E2SSB 5267, creating a prior authorization workgroup co-chaired by the chairs of the Senate and House Health Care Committees. The workgroup was developed to streamline the prior authorization process, and was directed to examine a number of areas such as timelines for various interactions and when some services could be deemed approved without a prior authorization response. The workgroup met during the interim but did not issue final recommendations prior to the expiration of the bill.

Legislation passed in 2009 directed the Office of Insurance Commissioner (OIC) to select a lead organization to focus on administrative simplification of health insurance processes. The lead organization, OneHealthPort, facilitated a workgroup with broad participation of insurance carriers, state purchasers, and providers, and produced a number of recommendations for industry best practices, many of which are reflected in rule.

There are a variety of federal requirements and guidelines for insurance transaction standards and exchange of electronic information. OneHealthPort and other workgroup participants have been actively engaged in the development of new federal standards and recommendations.

**Summary:** OIC must reauthorize the efforts of the lead organization established for the administrative simplification efforts, and establish a new workgroup to develop recommendations for prior authorization requirements. The focus of the prior authorization efforts must include the full scope of health care services, including pharmacy issues.

A number of areas are identified for the workgroup to consider, including the following:

- requiring carriers and pharmacy benefit managers to list prior authorization requirements on a website;
- requiring a carrier or pharmacy benefit manager to issue an acknowledgment of receipt within a specified timeframe;

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- recommendations for best practices for exchanging information, including alternatives to fax requests;
- recommendations for the best practices if acknowledgement has not been received within the specified timeframe;
- recommendations if the carrier or pharmacy benefit manager fails to approve, deny, or respond to the request within a specified timeframe and options for deeming approval;
- recommendations to refine timeframes in current rules; and
- recommendations specific to pharmacy services, including communication options and required information, and options for prior authorizations involving urgent and emergent care that might allow a short-term fill of a medication while the authorization is obtained.

The workgroup must consider opportunities to align with national mandates and regulatory guidance, and use information technologies and electronic health records to increase efficiencies in health care and automate business functions to ensure timely access to care for patients.

The workgroup must submit recommendations to OIC by October 31, 2014, and OIC must adopt rules implementing the recommendations of the workgroup.

**Votes on Final Passage:**

Senate	47	0	
House	96	0	(House amended)
Senate	49	0	(Senate concurred)

**Effective:** June 12, 2014