Introduced by Representatives Rogers of Waterville and Houghton of Essex

Referred to Committee on

Date:

Subject: Health; health insurance; health care providers; prior authorization

Statement of purpose of bill as introduced: This bill proposes to specify that the prior authorization requirements that health insurance plans must eliminate annually after review include those for which the request approval rate is 97 percent or higher. It would also modify the parameters of a prior authorization pilot program to specify that the program must be available to at least 30 percent of the insurer’s participating providers, at least 40 percent of whom must be primary care providers, and exempt those providers from prior authorization requirements for medical procedures, medical tests, pharmacy, or a combination.

An act relating to reducing prior authorization requirements in health insurance plans

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 18 V.S.A. § 9418b is amended to read:

§ 9418b. PRIOR AUTHORIZATION

* * *
(h)(1) A health plan shall review the list of medical procedures and medical tests for which it requires prior authorization at least annually and shall eliminate the prior authorization requirements for those procedures and tests for which such a requirement is no longer justified or for which requests are routinely approved with such frequency as to demonstrate that the prior authorization requirement does not promote health care quality or reduce health care spending to a degree sufficient to justify the administrative costs to the plan. The approval rate for prior authorization requests is 97 percent or higher.

* * *

Sec. 2. 2020 Acts and Resolves No. 140, Sec. 11 is amended to read:

Sec. 11. PRIOR AUTHORIZATION; GOLD CARDING; PILOT PROGRAM; REPORTS

(a) On or before January 15, 2022, each health insurer with more than 1,000 covered lives in this State for major medical health insurance shall implement a pilot program that automatically exempts from or streamlines certain prior authorization requirements for a subset of participating at least 30 percent of the insurer’s participating health care providers, some of whom of which at least 40 percent shall be primary care providers, from the insurer’s prior authorization requirements for medical procedures; medical tests; including imaging; or pharmacy; or a combination of these.
(b) Each insurer shall make available electronically, including on a publicly available website, details about its prior authorization exemption or streamlining pilot program, including:

(1) the medical procedures or tests that are exempt from or have streamlined whether the exemption from prior authorization requirements for providers who qualify for the program applies to medical procedures, medical tests, or pharmacy, or a combination of these;

(2) the criteria for a health care provider to qualify for the program;

(3) the number of health care providers who are eligible for the program, including their specialties and the percentage who are primary care providers; and

(4) whom to contact for questions about the program or about determining a health care provider’s eligibility for the program.

(c) On or before January 15, 2023, each health insurer required to implement a prior authorization pilot program under this section shall report to the House Committee on Health Care, the Senate Committees on Health and Welfare and on Finance, and the Green Mountain Care Board:

(1) the results of the pilot program, including an analysis of the costs and savings;

(2) prospects for the health insurer continuing or expanding the program;
(3) feedback the health insurer received about the program from the
health care provider community; and

(4) an assessment of the administrative costs to the health insurer of
administering and implementing prior authorization requirements.

Sec. 3. EFFECTIVE DATE

This act shall take effect on passage.