



House of Representatives

General Assembly

File No. 317

January Session, 2023

House Bill No. 6832

House of Representatives, March 29, 2023

The Committee on Insurance and Real Estate reported through REP. WOOD of the 29th Dist., Chairperson of the Committee on the part of the House, that the bill ought to pass.

AN ACT CONCERNING ELECTRONIC NOTIFICATIONS FOR PRIOR AUTHORIZATIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-591c of the general statutes is amended by
2 adding subsections (e) and (f) as follows (*Effective October 1, 2023*):

3 (NEW) (e) (1) Not later than January 1, 2024, the commissioner shall
4 develop and establish:

5 (A) Technical standards for hospitals and health care professionals to
6 electronically file prior authorization requests, and other requests for
7 prospective or concurrent utilization reviews, with health carriers; and

8 (B) Standardized clinical review criteria for common services,
9 treatments and procedures provided in hospitals in inpatient and
10 outpatient settings.

11 (2) The commissioner shall develop such technical standards
12 required under subparagraph (A) of subdivision (1) of this subsection

13 in consultation with appropriate standard-setting organizations,
14 hospitals, health care professionals, health carriers and health
15 information technology software vendors. Such technical standards
16 shall include, but need not be limited to, standards to ensure that
17 electronic prior authorization requests, and other electronic requests for
18 prospective or concurrent utilization reviews, filed by hospitals and
19 health care professionals with health carriers, support attachments that
20 contain clinical information and can be integrated into existing
21 electronic health record systems.

22 (3) The commissioner shall develop such standardized clinical review
23 criteria required under subparagraph (B) of subdivision (1) of this
24 subsection in consultation with hospitals, health care professionals and
25 health carriers.

26 (NEW) (f) (1) Not later than March 1, 2024, each health carrier shall
27 establish an electronic program to provide for the secure electronic:

28 (A) (i) Filing of prior authorization requests, and other requests for
29 prospective or concurrent utilization reviews, by hospitals and health
30 care professionals with such health carrier, and (ii) submission of
31 available clinical information in support of such requests; and

32 (B) Transmission of such health carrier's responses to such requests
33 described in subparagraph (A) of this subdivision.

34 (2) Each electronic program established pursuant to subdivision (1)
35 of this subsection shall comply with all standards developed and
36 established by the commissioner pursuant to subsection (e) of this
37 section.

38 (3) No facsimile, electronic form or proprietary health carrier portal
39 that fails to comply with the technical standards developed and
40 established by the commissioner pursuant to subsection (e) of this
41 section shall be deemed to satisfy the provisions of this subsection.

42 (4) Each health carrier shall provide hospitals and health care
43 professionals with access to such health carrier's criteria for making

44 determinations on prior authorization requests and other requests for
45 prospective or concurrent utilization reviews, including, but not limited
46 to, an itemization of any documentation such health carrier requires for
47 such requests.

48 (5) Notwithstanding any provision of this subsection, no health
49 carrier shall implement any technical or clinical standards pursuant to
50 this subsection unless such health carrier has consulted with hospitals
51 to facilitate seamless transmission and processing of requests for prior
52 authorization or other requests for prospective or concurrent utilization
53 reviews. Such consultations shall include, but need not be limited to,
54 consultations concerning the ability of hospitals and health care
55 professionals to submit clinical records and securely access electronic
56 health information.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2023	38a-591c(e) and (f)

INS *Joint Favorable*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst’s professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 24 \$	FY 25 \$
Insurance Dept.	IF - Cost	100,000 to 500,000	None
UConn Health Ctr.	GF - Cost	360,000	360,000

Note: GF=General Fund; IF=Insurance Fund

Municipal Impact: None

Explanation

The bill, which concerns utilization review standards and procedures, is expected to result in a cost to the Insurance Department of \$100,000 to \$500,000 in FY 24, and an annual cost to the UConn Health Center of approximately \$360,000 beginning in FY 24.

The bill results in a cost to the Insurance Fund in FY 24, anticipated to range between \$100,000 and \$500,000, for the Insurance Department (DOI) to hire consultants to assist in the development of technical standards and clinical review criteria by January 1, 2024. DOI does not have sufficient technical expertise and capacity to meet the bill’s requirements within existing resources. The cost associated with consultants will largely depend on the extent to which DOI is able to leverage existing technical standards and clinical review criteria, for example, from the federal government or the utilization review companies and health insurers the department regulates.¹

¹ The federal government issued the CMS Advancing Interoperability and Improving Prior Authorization Processes proposed rule (CMS-0057-P) on December 13, 2022.

The bill also requires health carriers to establish a secure system to electronically receive and respond to prior authorization review requests, as well as prospective and concurrent utilization review requests. This will result in an additional annual cost to UConn Health Center, beginning in FY 24, of approximately \$360,000. The additional costs are associated with one full-time and one part-time information technology analyst (\$270,000 annually including fringe) and \$90,000 in annual transactional volume expenses from vendors for payers for whom their current electronic system does not have direct connections.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to inflation, except there is no fiscal impact to DOI after FY 24.

OLR Bill Analysis**HB 6832*****AN ACT CONCERNING ELECTRONIC NOTIFICATIONS FOR PRIOR AUTHORIZATIONS.*****SUMMARY**

By March 1, 2024, this bill requires health carriers (i.e., insurers and HMOs) to establish a secure system to electronically receive and respond to prior authorization review requests and prospective and concurrent utilization review requests. These reviews are determinations made by health carriers as to whether a particular benefit is covered under an individual's health insurance policy.

Under the bill, health carriers must establish a system that complies with standards that the bill requires the insurance commissioner to develop by January 1, 2024.

The bill also requires health carriers to give hospitals and health care professionals access to the carriers' criteria for making determinations on these requests, including an itemization of any documentation the health carrier requires.

EFFECTIVE DATE: October 1, 2023

TECHNICAL STANDARDS AND CLINICAL REVIEW CRITERIA

The bill requires the insurance commissioner to develop and set technical standards for hospitals and healthcare professionals to electronically file prior authorization and prospective and concurrent utilization review requests with health carriers. These technical standards must:

1. be developed in consultation with appropriate standard-setting organizations, hospitals, health care professionals, health carriers, and health information technology software vendors; and

- 2. include standards that ensure these electronic requests support attachments containing clinical information and can be integrated into existing electronic health records.

The insurance commissioner must also develop and establish standardized clinical review criteria for common inpatient and outpatient services, treatments, and procedures provided in hospitals. The clinical review criteria must be developed in consultation with hospitals, health care professionals, and health carriers.

ELECTRONIC FILING SYSTEMS

Under the bill, health carriers must establish a program that allows health care professionals and hospitals to (1) file prior authorization requests and prospective and concurrent utilization review requests and (2) receive a health carrier’s response. The program must comply with the standards the commissioner develops. (Presumably, these standards include standardized clinical review criteria. Existing law, unchanged by the bill, allows health carriers to develop their own clinical review criteria, with certain exceptions (CGS § 38a-591c(a)(2)(B)).)

Under the bill, regardless of the above provisions, no health carrier may implement any technical or clinical standards under the bill unless they have consulted with hospitals to facilitate the seamless transmission and processing of requests. The consultations must concern the ability of hospitals and health care professionals to submit clinical records and securely access health information.

Under the bill, electronic forms or proprietary health carrier portals that fail to comply with the technical standards the commissioner develops do not satisfy the bill’s requirements.

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable
 Yea 12 Nay 0 (03/14/2023)