



Senate Fiscal Agency
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Senate Bill 247 (Substitute S-3 as reported by the Committee of the Whole)
Sponsor: Senator Curtis S. VanderWall
Committee: Health Policy and Human Services

CONTENT

The bill would amend Chapter 22 (The Insurance Contract) of the Insurance Code to modify and delete various provisions pertaining to expedited review of a prior authorization request. The bill also would add Section 2212e to the Code to do the following:

- Require an insurer that delivered, issued for delivery, or renewed in the State a health insurance policy that required a prior authorization with respect to any benefit to make available, by January 1, 2023, a standardized electronic prior authorization request transaction process.
- Require prior authorization requirements to be based on peer-reviewed clinical review criteria that met certain requirements.
- Require an insurer to post on its website if it implemented a new prior authorization requirement or restriction or amended an existing requirement or restriction, with respect to any benefit under a health benefit plan.
- Require an insurer or its designee utilization review organization to notify, on issuing a medical benefit denial, the health professional and insured or enrollee of certain information, including the right to appeal the adverse determination, and require an appeal of the denial to be reviewed by a health professional to which certain requirements applied.
- Prohibit an insurer or its designee utilization review organization from affirming the denial of an appeal unless the appeal was reviewed by a licensed physician who met certain qualifications.
- Prescribe procedures for granting a prior authorization request that had or had not been certified as urgent by a health care provider.
- Require an insurer to report annually to the Department of Insurance and Financial Services certain aggregated trend data.
- Require the Department to annually aggregate and deidentify the data collected into a standard report and to post the report on its website.
- Require an insurer to adopt a program that promoted the modification of prior authorization requirements of certain prescription drugs, medical care, or related benefits, based on certain factors.

MCL 500.2212c et al.

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State government and no fiscal impact on local units of government. The Department of Insurance and Financial Services could experience increased administrative costs related to monitoring insurers' compliance with the proposed requirements; however, many of these costs likely would be sufficiently funded by existing appropriations.

Date Completed: 4-29-21

Fiscal Analyst: Steve Angelotti

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Bill Analysis @ www.senate.michigan.gov/sfa

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