

REVISED

STATEMENT OF PURPOSE

RS33180 / H0611

This legislation establishes the Idaho Prior Authorization Reform Act to improve transparency, consistency, and timeliness in prior authorization processes used by health insurers and utilization review organizations.

The bill requires insurers to publicly disclose prior authorization requirements and clinical criteria, implement standardized electronic prior authorization processes, and comply with defined timelines for standard and expedited determinations. The legislation establishes notification and appeal standards, requires appropriately qualified clinical reviewers, sets minimum validity periods for approvals, provides continuity of approvals when coverage changes, and prohibits improper revocation of prior authorizations.

The bill further provides enforcement authority to the Department of Insurance, requires annual reporting of prior authorization data, establishes penalties for noncompliance, and addresses fraudulent prior authorization requests. The legislation is intended to reduce administrative burden, improve patient access to medically necessary care, and provide clear standards for prior authorization practices in Idaho.

FISCAL NOTE

This legislation is not expected to have a significant impact on the state General Fund. Administrative responsibilities related to oversight, complaint review, and reporting requirements would be managed by the Department of Insurance within existing resources, and administrative fines collected for violations would be deposited into the General Fund.

Health insurers may incur implementation costs associated with electronic processing, reporting, and compliance adjustments; however, these costs are not borne by the state. Overall fiscal impact to the state is expected to be minimal and improved long-term health outcomes for Idaho citizens may result in savings for the state.

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DISCLAIMER: This statement of purpose and fiscal note are a mere attachment to this bill and prepared by a proponent of the bill. It is neither intended as an expression of legislative intent nor intended for any use outside of the legislative process, including judicial review (Joint Rule 18).