

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature – First Regular Session

COMMITTEE ON INSURANCE

Report of Regular Meeting
Wednesday, March 4, 2015
House Hearing Room 4 -- 10:00 a.m.

Convened 10:08 a.m.

Recessed

Reconvened

Adjourned 11:05 a.m.

Members Present

Mr. Coleman
Mr. Larkin
Mr. Lovas
Ms. McCune Davis
Ms. Otondo
Mr. Robson
Mr. Livingston, Vice-Chairman
Ms. Fann, Chairman

Members Absent

Request to Speak

Report – Attachment 1

Presentations

Informational discussion on HB2135 - technical correction; insurance; existing actions
(S/E: transportation network companies)

Committee Action

<u>Bill</u>	<u>Action</u>	<u>Vote</u>	<u>Attachments (Summaries, Amendments, Roll Call)</u>
SB1166	DP	7-0-0-1	2, 3



Adrian Luth, Chairman Assistant
Wednesday, March 4, 2015

(Original attachments on file in the Office of the Chief Clerk; video archives available at <http://www.azleg.gov>)

Information Registered on the Request to Speak System

House Insurance (3/4/2015)

SB1166, health care insurance; utilization review

Support:

Debra Brimhall Pearson, AZ CHIROPRACTIC SOCIETY; Barry Aarons, AZ ASSOCIATION OF CHIROPRACTIC

Neutral:

Andrew Carlson, Executive Assistant for Policy Affairs, AZ DEPT OF INSURANCE

All Comments:

Debra Brimhall Pearson, AZ CHIROPRACTIC SOCIETY: Thank you for your support. It is very appreciated. There are two Chiropractic organizations in AZ and both are working together for the passage of this Legislation that is very needed for the Chiropractic industry and AZ business/employer.



HOUSE OF REPRESENTATIVES

SB 1166

health care insurance; utilization review

Sponsors: Senators Farnsworth D, Kavanagh; Representative Cardenas, et al.

DP Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

SB 1166 clarifies the responsibility of health care insurers to include the administration of all patient claims processed by utilization review agents (URA).

HISTORY

Arizona Revised Statutes (A.R.S.) § 20-2501 defines *utilization review* as a system for reviewing the appropriate and efficient allocation of inpatient hospital resources, inpatient medical services, and outpatient surgery services that are being given or are proposed to be given to a patient. This includes any medical, surgical and health care services or claims for services that may be covered by a health care insurer depending on determinable contingencies, including without limitation outpatient services, in-office consultations with medical specialists, specialized diagnostic testing, mental health services, emergency care and inpatient and outpatient hospital services. Utilization review does not include elective requests for the clarification of coverages.

Statute defines *utilization review agent* as those persons and entities that perform utilization review and includes any health care insurer whose utilization review plan includes the direct or indirect denial of requested medical or health care services or the denial of claims.

A.R.S. § 20-2531 requires the adoption of written utilization review standards and review processes, reconsideration, and appeal of denials by URAs and health care insurers whose utilization review system includes the power to affect the direct or indirect denial of requested medical or health care services or claims for medical or health care services.

URAs must adopt a written utilization review plan with standards and criteria that apply to all utilization review decisions and is objective, clinically valid and compatible with established principles of health care. Additionally, the plan must be established with input from physician advisors and include a process for prompt initial reconsideration of an adverse decision and a process for appeals.

PROVISIONS

1. States that a health care insurer who utilizes the services of an outside URA is responsible for the URA's acts including the administration of all patient claims processed by the URA on behalf of the health care insurer.
2. Makes technical changes.

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session

ROLL CALL VOTE

COMMITTEE ON INSURANCE BILL NO. SB 1166

DATE March 4, 2015 MOTION: DP

	PASS	AYE	NAY	PRESENT	ABSENT
Mr. Coleman		✓			
Mr. Larkin	✓	✓			
Mr. Lovas		✓			
Ms. McCune Davis		✓			
Ms. Otondo		✓			
Mr. Robson		✓			
Mr. Livingston, Vice-Chairman					✓
Ms. Fann, Chairman		✓			
		7	0	0	1

[Handwritten Signature]
 COMMITTEE SECRETARY

APPROVED:
[Handwritten Signature: Karen Fann]
 KAREN FANN, Chairman
 DAVID LIVINGSTON, Vice-Chairman

ATTACHMENT 3