

House Engrossed

prior authorization; uniform request forms

State of Arizona
House of Representatives
Fifty-fifth Legislature
First Regular Session
2021

HOUSE BILL 2621

AN ACT

AMENDING SECTIONS 20-3401 AND 20-3403, ARIZONA REVISED STATUTES; AMENDING
TITLE 20, CHAPTER 26, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING
SECTION 20-3406; RELATING TO PRIOR AUTHORIZATION FOR HEALTH CARE SERVICES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 20-3401, Arizona Revised Statutes, is amended to
3 read:

4 20-3401. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Adverse determination":

7 (a) Means a decision by a health care services plan or its
8 utilization review agent that the health care services furnished or
9 proposed to be furnished to an enrollee are not medically necessary and
10 plan coverage is therefore denied, reduced or terminated.

11 (b) Does not include a decision to deny, reduce or terminate
12 services that are not covered for reasons other than medical necessity.

13 2. "Authorization":

14 (a) Means a determination by a health care services plan or its
15 utilization review agent that a health care service has been reviewed and,
16 based on the information provided, satisfies the health care services
17 plan's requirements for medical necessity and appropriateness and that
18 payment under the plan will be made for that health care service.

19 (b) Does not include any different or additional procedures,
20 services or treatments beyond those specifically reviewed and approved by
21 the health care services plan.

22 3. "Emergency ambulance services" has the same meaning prescribed
23 in section 20-2801.

24 4. "Emergency services" has the same meaning prescribed in section
25 20-2801.

26 5. "Enrollee" means an individual or a dependent of that individual
27 who is currently enrolled with and covered by a health care services plan.
28 Enrollee includes an enrollee's legally authorized representative.

29 6. "Health care service":

30 (a) Means a health care procedure, treatment or service ~~for the~~
31 ~~diagnosis, management or treatment of acute pain, chronic pain or opioid~~
32 ~~use disorder~~ THAT IS COVERED UNDER A HEALTH CARE SERVICES PLAN.

33 (b) Includes ~~the provision of~~ PROVIDING a prescription drug, device
34 or durable medical equipment ~~for the treatment or management of acute~~
35 ~~pain, chronic pain or opioid use disorder~~ THAT IS COVERED UNDER A HEALTH
36 CARE SERVICES PLAN.

37 (c) Does not include treatments that are experimental,
38 investigational or off label.

39 7. "Health care services plan":

40 (a) Means a plan offered by a disability insurer, group disability
41 insurer, blanket disability insurer, health care services organization,
42 hospital service corporation or medical service corporation that
43 contractually agrees to pay or make reimbursements for health care
44 services expenses for one or more individuals residing in this state.

1 (b) Does not include benefits provided under limited benefit
2 coverage as defined in section 20-1137.

3 8. "Medically necessary" or "medical necessity":

4 (a) Means covered health care services provided by a licensed
5 provider acting within the provider's scope of practice in this state to
6 prevent or treat disease, disability or other adverse conditions or their
7 progression or to prolong life.

8 (b) Does not include services that are experimental or
9 investigational or prescriptions that are prescribed off label.

10 9. "Medication-assisted treatment" has the same meaning prescribed
11 in section 32-3201.01.

12 10. "PHARMACY BENEFIT MANAGER" HAS THE SAME MEANING PRESCRIBED IN
13 SECTION 20-3321.

14 ~~10.~~ 11. "Prior authorization requirement":

15 (a) Means a practice implemented by a health care services plan or
16 its utilization review agent in which coverage of a health care service is
17 dependent on an enrollee or a provider obtaining approval from the health
18 care services plan before the service is performed, received or
19 prescribed, as applicable.

20 (b) Includes preadmission review, pretreatment review, prospective
21 review or utilization review procedures conducted by a health care
22 services plan or its utilization review agent before providing a health
23 care service.

24 (c) Does not include case management or step therapy protocols.

25 ~~11.~~ 12. "Provider" means a physician, health care institution or
26 other person or entity that is licensed or otherwise authorized to furnish
27 health care services in this state.

28 ~~12.~~ 13. "Urgent health care service" means a health care service
29 with respect to which the application of the time periods for making a
30 nonexpedited prior authorization decision, in the opinion of a provider
31 with knowledge of the enrollee's medical condition, could either:

32 (a) Seriously jeopardize the life or health of the enrollee or the
33 ability of the enrollee to regain maximum function.

34 (b) Subject the enrollee to severe pain that cannot be adequately
35 managed without the care or treatment that is the subject of the
36 utilization review.

37 ~~13.~~ 14. "Utilization review agent" has the same meaning prescribed
38 in section 20-2501.

39 Sec. 2. Section 20-3403, Arizona Revised Statutes, is amended to
40 read:

41 20-3403. Prior authorization requirements; disclosures;
42 access

43 A. If a health care services plan contains a prior authorization
44 requirement, all of the following apply:

1 1. The health care services plan or its utilization review agent
2 shall make available to all providers on its website or provider portal a
3 listing of all prior authorization requirements. The listing shall
4 clearly identify the specific health care services, drugs or devices to
5 which a prior authorization requirement exists, including specific
6 information or documentation that a provider must submit in order for the
7 prior authorization request to be considered complete.

8 2. The health care services plan or its utilization review agent
9 shall allow providers to access the UNIFORM prior authorization request
10 ~~form~~ FORMS APPROVED BY THE DEPARTMENT PURSUANT TO SECTION 20-3406 through
11 the applicable electronic software system.

12 3. ~~Beginning January 1, 2020,~~ The health care services plan or its
13 utilization review agent shall accept prior authorization requests through
14 a secure electronic transmission.

15 4. The health care services plan or its utilization review agent
16 shall provide at least two forms of access to request a prior
17 authorization including telephone, fax or electronic means and shall have
18 emergency after-hours procedures.

19 B. ~~Beginning January 1, 2020,~~ The health care services plan or its
20 utilization review agent shall accept and respond to prior authorization
21 requests for prescription benefits through a secure electronic
22 transmission.

23 C. ~~Beginning January 1, 2020,~~ The health care services plan or its
24 utilization review agent may enter into a contractual arrangement with a
25 provider under which the plan agrees to process and respond to prior
26 authorization requests that are not submitted electronically because of
27 the financial hardship that electronic submission of prior authorization
28 requests would create for the provider or because internet connectivity is
29 limited or unavailable where the provider is located.

30 Sec. 3. Title 20, chapter 26, article 1, Arizona Revised Statutes,
31 is amended by adding section 20-3406, to read:

32 20-3406. Uniform prior authorization request forms:
33 definition

34 A. NOTWITHSTANDING ANY OTHER LAW, ON OR BEFORE JANUARY 1, 2022, THE
35 DEPARTMENT SHALL APPROVE A UNIFORM PRIOR AUTHORIZATION REQUEST FORM FOR
36 PRESCRIPTION DRUGS, DEVICES OR DURABLE MEDICAL EQUIPMENT AND A UNIFORM
37 PRIOR AUTHORIZATION REQUEST FORM FOR ALL OTHER HEALTH CARE PROCEDURES,
38 TREATMENTS AND SERVICES. ON OR BEFORE JANUARY 1, 2023, ALL PROVIDERS
39 SHALL USE ONLY THE APPROVED UNIFORM PRIOR AUTHORIZATION REQUEST FORMS AND
40 ALL HEALTH CARE SERVICES PLANS AND UTILIZATION REVIEW AGENTS SHALL ACCEPT
41 AND PROCESS PRIOR AUTHORIZATION REQUESTS SUBMITTED USING THE APPROVED
42 UNIFORM PRIOR AUTHORIZATION REQUEST FORMS. PRIOR AUTHORIZATION REQUESTS
43 THAT ARE SUBMITTED ON OR AFTER JANUARY 1, 2023 ARE INVALID UNLESS THE
44 REQUESTS ARE SUBMITTED ON THE APPROVED UNIFORM PRIOR AUTHORIZATION REQUEST
45 FORMS. THE UNIFORM PRIOR AUTHORIZATION REQUEST FORMS SHALL BOTH:

1 1. NOT EXCEED TWO PRINTED PAGES. THIS TWO-PAGE LIMIT DOES NOT
2 APPLY TO OR INCLUDE A PROVIDER'S NOTES OR DOCUMENTATION THAT THE PROVIDER
3 SUBMITS IN SUPPORT OF A PRIOR AUTHORIZATION REQUEST.

4 2. MEET THE ELECTRONIC SUBMISSION AND ACCEPTANCE REQUIREMENTS
5 PRESCRIBED IN SECTION 20-3403.

6 B. IN APPROVING THE UNIFORM PRIOR AUTHORIZATION REQUEST FORMS, THE
7 DEPARTMENT SHALL BOTH:

8 1. CONSIDER THE FOLLOWING:

9 (a) ANY EXISTING PRIOR AUTHORIZATION REQUEST FORMS THAT THE CENTERS
10 FOR MEDICARE AND MEDICAID SERVICES OR THE UNITED STATES DEPARTMENT OF
11 HEALTH AND HUMAN SERVICES HAS DEVELOPED.

12 (b) ANY NATIONAL STANDARDS RELATING TO ELECTRONIC PRIOR
13 AUTHORIZATION.

14 (c) ANY OTHER FORM ADOPTED BY THE DIRECTOR OR ANOTHER STATE AGENCY.

15 2. SEEK INPUT FROM INTERESTED STAKEHOLDERS, INCLUDING PROVIDERS,
16 HEALTH CARE SERVICES PLANS, UTILIZATION REVIEW AGENTS, PHARMACISTS AND
17 PHARMACY BENEFIT MANAGERS.

18 C. THIS SECTION DOES NOT PROHIBIT A PAYOR OR ANY ENTITY ACTING FOR
19 A PAYOR UNDER CONTRACT WITH THE PAYOR FROM USING A PRIOR AUTHORIZATION
20 METHODOLOGY THAT USES AN INTERNET WEBPAGE, AN INTERNET WEBPAGE PORTAL OR A
21 SIMILAR ELECTRONIC, INTERNET AND WEB-BASED SYSTEM IF THE METHODOLOGY IS
22 CONSISTENT WITH THE UNIFORM PRIOR AUTHORIZATION REQUEST FORMS APPROVED BY
23 THE DIRECTOR PURSUANT TO THIS SECTION.

24 D. FOR THE PURPOSES OF THIS SECTION, "PROVIDER" INCLUDES A HEALTH
25 PROFESSIONAL AS DEFINED IN SECTION 32-3218 OR A HEALTH CARE INSTITUTION
26 THAT IS LICENSED UNDER TITLE 36.