

REFERENCE TITLE: **technical correction; prior authorization; timelines**

State of Arizona
House of Representatives
Fifty-sixth Legislature
First Regular Session
2023

HB 2426

Introduced by
Representative Gress

AN ACT

AMENDING SECTION 20-3404, ARIZONA REVISED STATUTES; RELATING TO PRIOR AUTHORIZATION FOR CERTAIN 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 20-3404, Arizona Revised Statutes, is amended to
3 read:

4 20-3404. Prior authorization requirement timelines

5 A. If ~~a plan offered by~~ a health care services plan contains a
6 prior authorization requirement, all of the following apply:

7 1. For prior authorization requests concerning urgent health care
8 services, the health care services plan or its utilization review agent
9 shall notify the provider of the prior authorization or adverse
10 determination not later than five days after the receipt of all necessary
11 information to support the prior authorization request.

12 2. For prior authorization requests concerning health care services
13 that are not urgent health care services, the health care services plan or
14 its utilization review agent shall notify the provider of the prior
15 authorization or adverse determination not later than fourteen days after
16 receipt of all necessary information to support the prior authorization
17 request.

18 3. On receipt of information from the provider in support of a
19 prior authorization request, the health care services plan or its
20 utilization review agent shall provide a receipt in the same format that
21 the request was made to the provider acknowledging that the information
22 was received, unless the necessary return contact information is not
23 provided.

24 B. The notification required under subsection A of this section
25 shall state whether the prior authorization request is approved, denied or
26 incomplete. If the prior authorization request is denied, the health care
27 services plan or its utilization review agent shall state the specific
28 reason for the denial. For a request that is considered incomplete, the
29 provider shall have the opportunity to submit additional information.
30 Once the provider submits additional information on incomplete requests,
31 the health care services plan has five days to review and respond to
32 requests for health care services deemed urgent and fourteen days to
33 review and respond to requests for health care services deemed not urgent.

34 C. A prior authorization request is deemed granted if a health care
35 services plan or its utilization review agent fails to comply with the
36 deadlines and notification requirements of this section.

37 D. A prior authorization request, once granted or deemed granted,
38 is binding on the health care services plan, may be relied on by the
39 enrollee and provider and may not be rescinded or modified by a health
40 care services plan or its utilization review agent after the provider
41 renders the authorized health care services in good faith and pursuant to
42 the authorization unless there is evidence of fraud or misrepresentation
43 by the provider.

44 E. On a denial of a prior authorization request, the enrollee and
45 the provider may exercise the review and appeal rights specified in
46 chapter 15, article 2 of this title.