

REFERENCE TITLE: utilization review; prior authorization; requirements

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2726

Introduced by
Representatives Willoughby; Montenegro; Senators Gowan, Shope

AN ACT

AMENDING TITLE 20, CHAPTER 15, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 20-2512; RELATING TO UTILIZATION REVIEW.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 20, chapter 15, article 1, Arizona Revised
3 Statutes, is amended by adding section 20-2512, to read:

4 20-2512. Utilization review; prior authorization
5 requirements; definitions

6 A. IF A HEALTH CARE INSURER, PHARMACY BENEFIT MANAGER OR
7 UTILIZATION REVIEW AGENT APPROVES A PRIOR AUTHORIZATION FOR A COVERED
8 SERVICE TO A MEMBER AND THAT MEMBER CHANGES HEALTH INSURANCE, THE NEW
9 HEALTH CARE INSURER SHALL HONOR THE PRIOR AUTHORIZATION FOR THE FIRST
10 NINETY DAYS OF THE MEMBER'S HEALTH INSURANCE COVERAGE. THE MEMBER OR THE
11 MEMBER'S PREVIOUS PROVIDER SHALL NOTIFY THE NEW HEALTH CARE INSURER OF THE
12 PREVIOUSLY GRANTED PRIOR AUTHORIZATION.

13 B. DURING THE NINETY-DAY PERIOD PRESCRIBED IN SUBSECTION A OF THIS
14 SECTION, A HEALTH CARE INSURER, PHARMACY BENEFIT MANAGER OR UTILIZATION
15 REVIEW AGENT MAY CONDUCT A PRIOR AUTHORIZATION REVIEW.

16 C. IF THERE IS A CHANGE IN COVERAGE OR APPROVAL CRITERIA FOR A
17 PREVIOUSLY AUTHORIZED MEDICAL SERVICE, THE CHANGE IN COVERAGE OR APPROVAL
18 CRITERIA DOES NOT AFFECT THE MEMBER WHO RECEIVED A PRIOR AUTHORIZATION
19 APPROVAL BEFORE THE EFFECTIVE DATE OF THE CHANGE IN COVERAGE OR APPROVAL
20 CRITERIA FOR THE REMAINDER OF THE MEMBER'S PLAN YEAR.

21 D. A HEALTH CARE INSURER, PHARMACY BENEFIT MANAGER OR UTILIZATION
22 REVIEW AGENT SHALL CONTINUE TO HONOR A PRIOR AUTHORIZATION THAT THE HEALTH
23 CARE INSURER, PHARMACY BENEFIT MANAGER OR UTILIZATION REVIEW AGENT GRANTED
24 TO A MEMBER WHEN THE MEMBER CHANGES PRODUCTS OR PLANS UNDER THE SAME
25 HEALTH CARE INSURANCE COMPANY.

26 E. A HEALTH CARE INSURER, PHARMACY BENEFIT MANAGER OR UTILIZATION
27 REVIEW AGENT SHALL POST ON ITS PUBLICLY ACCESSIBLE WEBSITE ALL PRIOR
28 AUTHORIZATION REQUIREMENTS AND RESTRICTIONS AND A DETAILED DESCRIPTION OF
29 THE CLINICAL CRITERIA WRITTEN IN UNDERSTANDABLE LANGUAGE. IF A HEALTH
30 CARE INSURER, PHARMACY BENEFIT MANAGER OR UTILIZATION REVIEW AGENT INTENDS
31 TO IMPLEMENT A NEW PRIOR AUTHORIZATION REQUIREMENT OR RESTRICTION OR TO
32 AMEND AN EXISTING PRIOR AUTHORIZATION REQUIREMENT OR RESTRICTION, THE
33 HEALTH CARE INSURER, PHARMACY BENEFIT MANAGER OR UTILIZATION REVIEW AGENT
34 SHALL:

35 1. POST THE CHANGE OR AMENDMENT TO A PRIOR AUTHORIZATION
36 REQUIREMENT OR RESTRICTION ON ITS PUBLICLY ACCESSIBLE WEBSITE BEFORE
37 ENFORCING THE CHANGE OR AMENDMENT.

38 2. PROVIDE ENROLLEES WITH SIXTY DAYS' NOTICE BEFORE IMPLEMENTING
39 THE NEW PRIOR AUTHORIZATION REQUIREMENT OR RESTRICTION OR AMENDING THE
40 PRIOR AUTHORIZATION REQUIREMENT OR RESTRICTION.

41 F. EXCEPT AS PROVIDED IN SECTION 20-3405, IF A HEALTH CARE INSURER,
42 PHARMACY BENEFIT MANAGER OR UTILIZATION REVIEW AGENT REQUIRES PRIOR
43 AUTHORIZATION FOR A HEALTH CARE SERVICE TO TREAT A CHRONIC OR LONG-TERM
44 CARE CONDITION, THE PRIOR AUTHORIZATION REMAINS VALID FOR AT LEAST ONE
45 YEAR FROM THE DATE THE HEALTH CARE SERVICE RECEIVES THE PRIOR

1 AUTHORIZATION REGARDLESS OF ANY CHANGES IN DOSAGE OF A PRESCRIPTION DRUG,
2 AND THE UTILIZATION REVIEW AGENT MAY NOT REQUIRE THAT THE MEMBER OBTAIN
3 ANOTHER PRIOR AUTHORIZATION FOR THAT SAME HEALTH CARE SERVICE.

4 G. A PRIOR AUTHORIZATION IS VALID FOR AT LEAST SIX MONTHS FROM THE
5 DATE THE HEALTH CARE INSURER RECEIVES THE PRIOR AUTHORIZATION OR THE
6 LENGTH OF THE TREATMENT AND REMAINS IN EFFECT REGARDLESS OF ANY CHANGES IN
7 THE PRESCRIPTION DOSAGE.

8 H. FOR THE PURPOSES OF THIS SECTION:

9 1. "CHRONIC OR LONG-TERM CARE CONDITION" MEANS A CONDITION THAT
10 LASTS ONE YEAR OR MORE AND THAT REQUIRES ONGOING MEDICAL ATTENTION OR
11 LIMITS ACTIVITIES OF DAILY LIVING OR BOTH.

12 2. "MEMBER" HAS THE SAME MEANING PRESCRIBED IN SECTION 20-2530.