

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 22-0308.02 Christy Chase x2008

SENATE BILL 22-078

SENATE SPONSORSHIP

Kirkmeyer and Ginal,

HOUSE SPONSORSHIP

(None),

Senate Committees

Health & Human Services
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING ALTERNATIVES TO HEALTH INSURER PRIOR**
102 **AUTHORIZATION REQUIREMENTS FOR HEALTH-CARE PROVIDERS**
103 **THAT ACHIEVE A SPECIFIED APPROVAL RATE ON PRIOR**
104 **AUTHORIZATION REQUESTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

With regard to health-care services, **section 1** of the bill requires a health insurance carrier (carrier) or private utilization review organization, as applicable, to offer a provider with at least a 95%

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
Amended 2nd Reading
February 17, 2022

approval rate of prior authorization requests over the prior 12 months an alternative to prior authorization requirements, including an exemption from the requirements, incentive awards, or other innovative programs, to reward provider compliance.

With regard to drug benefits, **section 2** requires a carrier or pharmacy benefit management firm, as applicable, to offer the same types of alternatives to prior authorization requirements to a provider who has at least a 95% approval rate of prior authorization requests over the prior 12 months.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 10-16-112.5, amend
3 (7)(e); and add (4)(b)(II)(C) and (4)(c) as follows:

4 **10-16-112.5. Prior authorization for health-care services -**
5 **disclosures and notice - determination deadlines - criteria - limits and**
6 **exceptions - definitions - rules - repeal. (4) Criteria, limits, and**
7 **exceptions. (b) (II) (C) THIS SUBSECTION (4)(b)(II) IS REPEALED,**
8 **EFFECTIVE JANUARY 1, 2024.**

9 (c) (I) ON AND AFTER JANUARY 1, 2024, A CARRIER OR
10 ORGANIZATION SHALL OFFER A QUALIFIED PROVIDER AT LEAST ONE
11 ALTERNATIVE TO PRIOR AUTHORIZATION, INCLUDING:

12 (A) AN EXEMPTION FROM PRIOR AUTHORIZATION REQUIREMENTS;

13 (B) AN INCENTIVE AWARDED TO THE PROVIDER THAT REDUCES
14 THE WAIT TIME FOR OR ADMINISTRATIVE BURDEN ON A COVERED PERSON
15 TO RECEIVE THE REQUESTED HEALTH-CARE SERVICE; OR

16 (C) ANY OTHER INNOVATIVE PROGRAM OF THE CARRIER'S OR
17 ORGANIZATION'S DESIGN TO REWARD PROVIDER COMPLIANCE WITH THE
18 CARRIER'S OR ORGANIZATION'S PRIOR AUTHORIZATION REQUIREMENTS
19 AND THAT REDUCES THE WAIT TIME FOR OR ADMINISTRATIVE BURDEN ON
20 A COVERED PERSON TO RECEIVE THE REQUESTED HEALTH-CARE SERVICE.

1 (II) A PROVIDER IS A QUALIFIED PROVIDER FOR PURPOSES OF
2 SUBSECTION (4)(c)(I) OF THIS SECTION IF THE PROVIDER:

3 (A) IS A PARTICIPATING PROVIDER AND HAS BEEN A PARTICIPATING
4 PROVIDER CONTINUOUSLY FOR AT LEAST THE IMMEDIATELY PRECEDING
5 TWELVE MONTHS; AND

6 (B) OVER THE IMMEDIATELY PRECEDING TWELVE MONTHS, HAS:
7 AT LEAST A NINETY-FIVE PERCENT APPROVAL RATE ON PRIOR
8 AUTHORIZATION REQUESTS FOR THE SAME HEALTH-CARE SERVICE
9 SUBMITTED FOR COVERED PERSONS UNDER A HEALTH BENEFIT PLAN
10 OFFERED BY THE CARRIER; AND SUBMITTED AT LEAST TWENTY-FOUR PRIOR
11 AUTHORIZATION REQUESTS FOR THE SAME HEALTH-CARE SERVICE FOR
12 COVERED PERSONS UNDER A HEALTH BENEFIT PLAN OFFERED BY THE
13 CARRIER.

14 (III) NEITHER A CARRIER NOR AN ORGANIZATION IS REQUIRED TO
15 OFFER AN ALTERNATIVE TO PRIOR AUTHORIZATION TO A PROVIDER THAT
16 IS NOT QUALIFIED PURSUANT TO SUBSECTION (4)(c)(II) OF THIS SECTION,
17 INCLUDING A PROVIDER THAT HAS NOT SUBMITTED PRIOR AUTHORIZATION
18 REQUESTS TO THE CARRIER OR ORGANIZATION FOR AT LEAST TWELVE
19 MONTHS.

20 (IV) AT LEAST ANNUALLY, A CARRIER OR ORGANIZATION SHALL
21 REEXAMINE A PROVIDER'S PRESCRIBING OR ORDERING PATTERNS AND
22 REEVALUATE WHETHER THE PROVIDER IS A QUALIFIED PROVIDER FOR
23 PURPOSES OF AN EXEMPTION FROM OR OTHER ALTERNATIVE TO PRIOR
24 AUTHORIZATION REQUIREMENTS PURSUANT TO SUBSECTION (4)(c)(I) OF
25 THIS SECTION.

26 (V) THE CARRIER OR ORGANIZATION SHALL INFORM THE PROVIDER
27 OF THE PROVIDER'S STATUS AS A QUALIFIED PROVIDER AND PROVIDE ALL

1 OF THE DATA CONSIDERED AS PART OF ITS INITIAL EXAMINATION OR
2 REEXAMINATION OF THE PROVIDER'S PRESCRIBING OR ORDERING PATTERNS
3 FOR THE TWELVE-MONTH PERIOD OF REVIEW. DISAGREEMENTS REGARDING
4 A PROVIDER'S STATUS AS A QUALIFIED PROVIDER MUST BE RESOLVED IN
5 ACCORDANCE WITH ANY APPLICABLE CONTRACT PROVISIONS.

6 (VI) AS USED IN SUBSECTION (4)(c)(II)(B) OF THIS SECTION, "SAME
7 HEALTH-CARE SERVICE" MEANS A HEALTH-CARE SERVICE THAT IS
8 ASSIGNED A UNIQUE CPT CODE OR COMBINATION OF CPT CODES, AS
9 DEFINED IN SECTION 25-49-102 (2), WHICH CODE OR COMBINATION OF
10 CODES IS USED FOR THE CARE OF A PATIENT WITH A SPECIFIC DIAGNOSIS
11 CODE.

12 (7) Definitions. As used in this section:

13 (e) "Private utilization review organization" or "organization" has
14 the same meaning as set forth MEANS A PRIVATE UTILIZATION REVIEW
15 ORGANIZATION, AS DEFINED IN SECTION 10-16-112 (1)(a), THAT HAS A
16 CONTRACT WITH AND PERFORMS PRIOR AUTHORIZATION ON BEHALF OF A
17 CARRIER. _____

18 **SECTION 2.** **Act subject to petition - effective date.** This act
19 takes effect at 12:01 a.m. on the day following the expiration of the
20 ninety-day period after final adjournment of the general assembly; except
21 that, if a referendum petition is filed pursuant to section 1 (3) of article V
22 of the state constitution against this act or an item, section, or part of this
23 act within such period, then the act, item, section, or part will not take
24 effect unless approved by the people at the general election to be held in
25 November 2022 and, in such case, will take effect on the date of the
26 official declaration of the vote thereon by the governor.