House File 2488 - Reprinted

HOUSE FILE 2488
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HSB 641)

(As Amended and Passed by the House February 29, 2024)

A BILL FOR

1 An Act relating to prior authorizations and exemptions by
2 health benefit plans and utilization review organizations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 514F.8, Code 2024, is amended by adding
2 the following new subsections:
3 NEW SUBSECTION. 1A. *a.* A utilization review organization
4 shall respond to a request for prior authorization from a
5 health care provider as follows:
6 (1) Within forty-eight hours after receipt for urgent
7 requests.
8 (2) Within ten calendar days after receipt for nonurgent
9 requests.
10 (3) Within fifteen calendar days after receipt for
11 nonurgent requests if there are complex or unique circumstances
12 or the utilization review organization is experiencing an
13 unusually high volume of prior authorization requests.
14 *b.* Within twenty-four hours after receipt of a prior
15 authorization request, the utilization review organization
16 shall notify the health care provider of, or make available to
17 the health care provider, a receipt for the request for prior
18 authorization.
19 NEW SUBSECTION. 2A. A utilization review organization
20 shall, at least annually, review all health care services for
21 which the health benefit plan requires prior authorization and
22 shall eliminate prior authorization requirements for health
23 care services for which prior authorization requests are
24 routinely approved with such frequency as to demonstrate that
25 the prior authorization requirement does not promote health
26 care quality, or reduce health care spending, to a degree
27 sufficient to justify the health benefit plan's administrative
28 costs to require the prior authorization.
29 NEW SUBSECTION. 3A. Complaints regarding a utilization
30 review organization's compliance with this chapter may be
31 directed to the insurance division. The insurance division
32 shall notify a utilization review organization of all
33 complaints regarding the utilization review organization's
34 noncompliance with this chapter. All complaints received
35 pursuant to this subsection shall not be considered public

1 records for purposes of chapter 22.
2 Sec. 2. PRIOR AUTHORIZATION EXEMPTION PROGRAM.
3 1. On or before January 15, 2025, all health carriers
4 that deliver, issue for delivery, continue, or renew a health
5 benefit plan in this state on or after January 1, 2025, and
6 that require prior authorizations, shall implement a pilot
7 program that exempts a subset of participating health care
8 providers, at least some of whom shall be primary health care
9 providers, from certain prior authorization requirements.
10 2. Each health carrier shall make available on the health
11 carrier's internet site for each health benefit plan that the
12 health carrier delivers, issues for delivery, continues, or
13 renews in this state, details about the health benefit plan's
14 prior authorization exemption program, including all of the
15 following information:
16 a. The health carrier's criteria for a health care provider
17 to qualify for the exemption program.
18 b. The health care services that are exempt from prior
19 authorization requirements for health care providers who
20 qualify under paragraph "a".
21 c. The estimated number of health care providers who are
22 eligible for the program, including the health care providers'
23 specialties, and the percentage of the health care providers
24 that are primary care providers.
25 d. Contact information for the health benefit plan for
26 consumers and health care providers to contact the health
27 benefit plan about the exemption program, or about a health
28 care provider's eligibility for the exemption program.
29 3. On or before January 15, 2026, each health carrier
30 required to implement a prior authorization exemption
31 program pursuant to subsection 1 shall submit a report to the
32 commissioner of insurance that contains all of the following:
33 a. The results of the exemption program, including an
34 analysis of the costs and savings of the exemption program.
35 b. The health benefit plan's recommendations for continuing

1 or expanding the exemption program.
2 c. Feedback received by each health benefit plan from
3 health care providers and other interested parties regarding
4 the exemption program.
5 d. An assessment of the administrative costs incurred by
6 each of the health carrier's health benefit plans to administer
7 and implement prior authorization requirements under the
8 exemption program.