

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

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

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.

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 (4)(b)(II)(A) 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. (4) Criteria, limits, and exceptions.**

7 (b) (II) (A) A carrier or organization ~~may~~ SHALL offer ~~providers with a~~
8 ~~history of adherence to the carrier's or organization's prior authorization~~
9 ~~requirements~~ A PROVIDER THAT HAS AT LEAST A NINETY-FIVE PERCENT
10 APPROVAL RATE OF PRIOR AUTHORIZATION REQUESTS OVER THE
11 IMMEDIATELY PRECEDING TWELVE MONTHS at least one alternative to
12 prior authorization, including: An exemption from prior authorization
13 requirements; ~~for a provider that has at least an eighty percent approval~~
14 ~~rate of prior authorization requests over the immediately preceding twelve~~
15 ~~months~~ AN INCENTIVE AWARDED TO THE PROVIDER; OR ANY OTHER
16 INNOVATIVE PROGRAM OF THE CARRIER'S OR ORGANIZATION'S DESIGN TO
17 REWARD PROVIDER COMPLIANCE WITH THE CARRIER'S OR ORGANIZATION'S
18 PRIOR AUTHORIZATION REQUIREMENTS. At least annually, a carrier or
19 organization shall reexamine a provider's prescribing or ordering patterns
20 and reevaluate the provider's status for exemption from or other

1 alternative to prior authorization requirements pursuant to this subsection
2 (4)(b)(II).

3 **SECTION 2.** In Colorado Revised Statutes, 10-16-124.5, **amend**
4 (5) as follows:

5 **10-16-124.5. Prior authorization form - drug benefits - rules**
6 **of commissioner - definitions.** (5) (a) Notwithstanding any other
7 provision of law, ~~on and after January 1, 2015~~, UNLESS OFFERED AN
8 ALTERNATIVE PURSUANT TO SUBSECTION (5)(b) OF THIS SECTION, every
9 prescribing provider shall use the prior authorization process developed
10 pursuant to subsection (3) of this section to request prior authorization for
11 coverage of drug benefits, and every carrier and pharmacy benefit
12 management firm shall use that process for prior authorization for drug
13 benefits.

14 (b) (I) A CARRIER OR PHARMACY BENEFIT MANAGEMENT FIRM
15 SHALL OFFER A PRESCRIBING PROVIDER THAT HAS AT LEAST A NINETY-FIVE
16 PERCENT APPROVAL RATE OF PRIOR AUTHORIZATION REQUESTS OVER THE
17 IMMEDIATELY PRECEDING TWELVE MONTHS AT LEAST ONE ALTERNATIVE
18 TO PRIOR AUTHORIZATION, INCLUDING:

19 (A) AN EXEMPTION FROM PRIOR AUTHORIZATION REQUIREMENTS;

20 (B) AN INCENTIVE AWARDED TO THE PROVIDER; OR

21 (C) ANY OTHER INNOVATIVE PROGRAM OF THE CARRIER'S OR
22 PHARMACY BENEFIT MANAGEMENT FIRM'S DESIGN TO REWARD
23 PRESCRIBING PROVIDER COMPLIANCE WITH THE CARRIER'S OR PHARMACY
24 BENEFIT MANAGEMENT FIRM'S PRIOR AUTHORIZATION REQUIREMENTS.

25 (II) AT LEAST ANNUALLY, A CARRIER OR PHARMACY BENEFIT
26 MANAGEMENT FIRM SHALL REEXAMINE A PRESCRIBING PROVIDER'S
27 PRESCRIBING OR ORDERING PATTERNS AND REEVALUATE THE PRESCRIBING

1 PROVIDER'S STATUS FOR EXEMPTION FROM OR OTHER ALTERNATIVE TO
2 PRIOR AUTHORIZATION REQUIREMENTS PURSUANT TO THIS SUBSECTION
3 (5)(b).

4 (III) A CARRIER OR PHARMACY BENEFIT MANAGEMENT FIRM SHALL
5 INFORM A PRESCRIBING PROVIDER OF THE PRESCRIBING PROVIDER'S
6 EXEMPTION STATUS AND PROVIDE INFORMATION CONCERNING THE DATA
7 THAT THE CARRIER OR PHARMACY BENEFIT MANAGEMENT FIRM
8 CONSIDERED AS PART OF ITS REEXAMINATION OF THE PRESCRIBING
9 PROVIDER'S PRESCRIBING OR ORDERING PATTERNS FOR THE
10 TWELVE-MONTH PERIOD OF REVIEW.

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