

BILL SUMMARY
2nd Session of the 59th Legislature

Bill No.:	HB 3862
Version:	Introduced
Request Number:	9667
Author:	Rep. Ford
Date:	3/4/2024
Impact:	FY-25: \$7,200,000
	FY-26+: Increase with Admin Fee Trends

Research Analysis

House Bill 3862, as introduced, outlines procedures for implementing new prior authorization requirements, mandates adverse determinations be made by a qualified physician, and addresses the notification and discussion process with an enrollee's physician. The measure also places limitations on the revocation of prior authorizations, outlines conditions for preventive care, and specifies the criteria for granting, evaluating, and revoking exemptions. Non-compliance with specified deadlines and requirements will result in healthcare services being automatically deemed authorized by the utilization review entity.

Prepared By: Matthew Brenchley

Fiscal Analysis

HB 3862 specifies the obligations of a utilization review entity performing prior authorization for a health insurer. This measure requires a utilization review entity to publish any current prior authorization requirements and restrictions on its website; provide written notice to health care providers and enrollees of any changes or new prior authorization requirements; requires all adverse determinations to be made by a physician and appeals to be reviewed by a physician.

Updated Analysis:

Officials from the Employees Group Insurance Division of the Oklahoma Office of Management and Enterprise Services (OMES-EGID) provided the following statement based on the review by HealthChoice's Third Party Administrator, UMR. "The annual cost impact is expected to be Seven Million Two Hundred Thousand Dollars (\$7,200,000), resulting in a 0.7% increase in total premium. It is expected the impact beyond the first year would increase based on administrative fee trends."

Therefore, the fiscal impact on the state budget for FY-25 is anticipated to be \$7,200,000.

Prepared By: Alexandra Ladner, House Fiscal Staff

Other Considerations

None.

