

BILL SUMMARY
1st Session of the 60th Legislature

Bill No.:	HB1808
Version:	FA1
Request Number:	132339
Author:	Rep. Newton
Date:	3/18/2025
Impact:	HealthChoice Plan: \$3,000,000

Research Analysis

The floor substitute for HB 1808 requires utilization review entities to make their prescription drug prior authorization requirements, including clinical criteria, easily accessible for both enrollees and healthcare providers on their websites. All health benefit plans must make current drug formularies easily accessible on their websites and submit the link to the formulary to the Insurance Commissioner by October 1 each year.

Utilization review entities must make prescription drug prior authorization or adverse determinations within specified timeframes. Any changes to these requirements must be communicated clearly and in advance. All adverse determinations must include alternative drugs covered by the health plan's formulary and be made by a qualified physician, pharmacist, or licensed mental health professional under the clinical direction of the committee or board responsible for developing drug use policies, evaluating clinical appropriateness, and ensuring effective drug use when reviewing prescription prior authorizations. Appeals must be reviewed by a qualified physician, pharmacist, or licensed mental health professional who was not involved in making the adverse determination and has no financial interest in the appeal's outcome.

The measure prohibits prior authorization requirements for drugs administered as emergency healthcare services. Prior authorizations for drugs used in treatment for chronic conditions must remain valid for three years after the provider receives the prior authorization approval unless certain circumstances are met. Utilization review entities must honor prior authorizations from previous entities for a specified period when an enrollee changes health plans or products.

The Insurance Commissioner may impose a penalty of up to \$5,000 for any violation of the measure. The Attorney General may also impose a penalty of up to \$5,000 if a pharmacy benefits manager is found to have violated the measure.

CHANGES IN FLOOR SUBSTITUTE FROM COMMITTEE SUBSTITUTE:

The floor substitute clarifies that the link for a plan formulary must be a secured web page link rather than an HTML link and adds penalizing authority for the Attorney General.

Prepared By: Autumn Mathews

Fiscal Analysis

In its current form, HB 1808 creates the Ensuring Transparency in Prescription Drugs Prior Authorization Act, which outlines the requirements of utilization review entities and health benefit plans during the prior authorization process.

Actuaries from the Employees Group Insurance Division estimate that the state Healthchoice plan could be impacted by up to Three Million Dollars (\$3,000,000), primarily due to the shortened turnaround times for PA reviews, which will lead to increased administrative costs or automated approvals. The Oklahoma Health Care Authority (OHCA) does not anticipate that the measure will impact the Medicaid program. Therefore, the fiscal impact for the FY-26 state budget is anticipated to be \$3,000,000.

The floor amendment authorizes the Attorney General to impose a penalty of up to Five Thousand Dollars (\$5,000) if it is determined that a pharmacy benefits manager has violated the provisions of the act. The amendment does not change the fiscal impact of the measure.

Prepared By: Alexandra Ladner, House Fiscal Staff

Other Considerations

None.