

# FINAL BILL REPORT

## E2SSB 5267

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Synopsis as Enacted

**Brief Description:** Establishing a work group to develop standardized prior authorization for medical and pharmacy management.

**Sponsors:** Senate Committee on Ways & Means (originally sponsored by Senators Becker, Keiser, Conway, Ericksen, Bailey, Dammeier, Frockt and Schlicher).

**Senate Committee on Health Care**  
**Senate Committee on Ways & Means**  
**House Committee on Health Care & Wellness**

**Background:** Legislation passed in 2009 directed the Office of the Insurance Commissioner (OIC) to select a lead organization to focus on opportunities for administrative simplification in health insurance processes and offer recommendations on best practices. OIC and the lead organization, OneHealthPort, have facilitated a work group with broad participation of insurance carriers, state purchasers, and providers and they have recently developed recommendations on streamlining pre-authorization of insurance services. Currently, each insurance carrier or payor requires specific pre-authorization forms for specific services, with vast variation in numbers of forms and types of pre-authorization requirements.

The federal Affordable Care Act requires a number of changes in administrative simplification efforts. OneHealthPort and other work group participants have been actively engaged in the development of new national operating rules. For example, the Department of Health and Human Services (HHS) must adopt operating rules for several Health Insurance Portability and Accountability Act transactions, beginning with the eligibility and claims status transactions. HHS designated the Council on Affordable Quality Health Care (CAQH) and its Committee on Operating Rules for Information Exchange (CORE) as the lead for development of the initial operating rules. Operating rules required for 2016 will address some remaining transactions, including health claims or equivalent encounter information, enrollment and disenrollment in a health plan, health plan premium payments, referral certification and authorization, and claims attachment.

**Summary:** A work group is formed to develop criteria to streamline the prior authorization process for prescription drugs, medical procedures, and medical tests. The work group is co-chaired by the chair of the Senate Health Care Committee and the chair of the House Health Care and Wellness Committee. Membership of the work group is determined by the co-chairs, not to exceed 11 participants.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

The work group must examine elements that include the following:

- national standard transaction information for sending or receiving authorizations electronically;
- standard transaction information and uniform prior authorization forms;
- clean, uniform, and readily accessible forms for prior authorization including determining the appropriate number of forms;
- a core set of common data requirements for nonclinical information for prior authorization and electronic prescriptions, or both;
- the prior authorization process, which considers electronic forms and allows for flexibility for health insurance carriers to develop electronic forms; and
- existing prior authorization by health insurance carriers and state agencies, in developing the uniform prior authorization forms.

The work group must establish timelines for urgent requests and timelines for non-urgent requests; work on a receipt and missing information timeframe; determine time limits for a response of acknowledgment of receipts or requests of missing information; and establish when an authorization request will be deemed as granted when there is no response.

The work group must submit recommendations to the Legislature by November 15, 2013. The Office of Insurance Commissioner must adopt rules implementing only the recommendations of the work group and the rules must take effect no later than January 1, 2015.

**Votes on Final Passage:**

Senate	49	0	
House	87	10	(House amended)
House	97	0	(House receded/amended)
Senate	47	0	(Senate concurred)

**Effective:** July 28, 2013.