State Corporation Commission
2025 General Assembly Session
State Fiscal Impact Statement

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Bill Number: SB1215ER **Patron:** Pekarsky
Bill Title: Health insurance; carrier contracts; required provisions regarding prior authorization for health care services; work group; report.

Bill Summary: Requires certain health insurance contracts under which an insurance carrier has the right or obligation to require prior authorization for a health care service, as defined in the bill, to include provisions governing the prior authorization process. Such required provisions include (i) time limits for a carrier to respond to prior authorization requests, (ii) a prohibition on revoking, limiting, making conditional, modifying, or restricting a previously approved prior authorization except under certain circumstances, and (iii) a requirement that a carrier shall provide the reasons for denial of a request. The bill requires a carrier to make publicly available on its website a list of health care services and codes for which prior authorization is required. The foregoing provisions have a delayed effective date of January 1, 2027.

The bill requires the State Corporation Commission's Bureau of Insurance to establish a work group to develop and deliver a report related to the bill's provisions by November 1, 2025.

Budget Amendment Necessary: No **Items Impacted:** None
Explanation: Not Applicable

Fiscal Summary: The proposed legislation is expected to have a minimal fiscal impact for the State Corporation Commission's (SCC) Bureau of Insurance (BOI).

General Fund Expenditure Impact: None

Nongeneral Fund Expenditure Impact: Minimal

Position Impact: None

Fiscal Analysis: The proposed legislation is expected to have a minimal fiscal impact for BOI. The bill directs BOI to establish a work group about prior authorization and to submit a report by November 1, 2025. The cost to convene this work group and produce its report can be absorbed within BOI's current operating budget and would not require a budget amendment. However, BOI notes that there are several legislative proposals advancing in the 2025 Regular Session that require the BOI to conduct a study, write a report, or lead a work group. The cumulative effect of enactment of these types of proposals may exceed BOI's capacity and may result in the need for additional appropriations, positions, revenue generated from increased rates, or all identified actions.

Other: This bill is identical to HB2099.