

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1274

5 By: Representative L. Johnson
6 By: Senator Irvin
7

For An Act To Be Entitled

9 AN ACT TO MODIFY THE PRIOR AUTHORIZATION TRANSPARENCY
10 ACT; TO AMEND THE APPEAL PROCESS FOR A DENIAL UNDER
11 THE PRIOR AUTHORIZATION TRANSPARENCY ACT; AND FOR
12 OTHER PURPOSES.
13
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Subtitle

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16 TO MODIFY THE PRIOR AUTHORIZATION
17 TRANSPARENCY ACT; AND TO AMEND THE APPEAL
18 PROCESS FOR A DENIAL UNDER THE PRIOR
19 AUTHORIZATION TRANSPARENCY ACT.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 23-99-1103(21), concerning the definition
25 of "utilization review entity" used under the Prior Authorization
26 Transparency Act, is amended to add an additional subdivision to read as
27 follows:

28 (D) A third-party administrator of a self-insured
29 healthcare insurer is a utilization review entity if it performs prior
30 authorizations.
31

32 SECTION 2. Arkansas Code § 23-99-1105, concerning nonurgent healthcare
33 service under the Prior Authorization Transparency Act, is amended to add an
34 additional subsection to read as follows:

35 (c)(1) If a utilization review entity denies a prior authorization of
36 a nonurgent healthcare service, then the subscriber or the healthcare



1 provider may elect to appeal the denial of the prior authorization of the
2 nonurgent healthcare service.

3 (2) If a denial of a prior authorization of a nonurgent
4 healthcare service is appealed to the utilization review entity, then within
5 two (2) days of receiving all necessary information required, the utilization
6 review entity shall:

7 (A) Make an authorization or adverse determination; and

8 (B) Notify the subscriber and the healthcare provider that
9 appealed the denial of the prior authorization of the nonurgent healthcare
10 service of the decision.

11 (3) This subsection applies to an enrollee who is being
12 evaluated or treated for:

13 (A) A hematology diagnosis;

14 (B) An oncology diagnosis; or

15 (C) An additional disease state or other diagnoses that
16 the Insurance Commissioner may include by rule.

17
18 SECTION 3. Arkansas Code § 23-99-1106 is amended to read as follows:
19 23-99-1106. Prior authorization – Urgent healthcare service.

20 (a) A utilization review entity shall render an expedited
21 authorization or adverse determination concerning an urgent healthcare
22 service and notify the subscriber and the subscriber's healthcare provider of
23 that expedited prior authorization or adverse determination no later than one
24 (1) business day after receiving all information needed to complete the
25 review of the requested urgent healthcare service.

26 (b)(1) If a utilization review entity denies a prior authorization of
27 an urgent healthcare service, then the subscriber or the healthcare provider
28 may elect to appeal the denial of the prior authorization of the urgent
29 healthcare service.

30 (2) If a denial of a prior authorization of an urgent healthcare
31 service is appealed to the utilization review entity, then within one (1) day
32 of receiving all necessary information required, the utilization review
33 entity shall:

34 (A) Make an authorization or adverse determination; and

35 (B) Notify the subscriber and the healthcare provider that
36 appealed the denial of the prior authorization of the urgent healthcare

1 service of the decision.

2 (3) This subsection applies to an enrollee who is being
3 evaluated or treated for:

4 (A) A hematology diagnosis;

5 (B) An oncology diagnosis; or

6 (C) An additional disease state or other diagnoses that
7 the Insurance Commissioner may include by rule.

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9 SECTION 4. Arkansas Code § 23-99-1114, concerning the limitation on
10 step therapy under the Prior Authorization Transparency Act, is amended to
11 add an additional subsection to read as follows:

12 (c) If a request for prior authorization is denied due to a step
13 therapy requirement under this section, then the utilization review entity
14 shall authorize the preferred treatment required under the step therapy if a
15 prior authorization for the preferred treatment is required without requiring
16 the healthcare provider to submit a new or revised request.