

1 SB27
2 214381-1
3 By Senator Butler
4 RFD: Banking and Insurance
5 First Read: 11-JAN-22
6 PFD: 01/05/2022

SYNOPSIS: This bill would require a health insurer to communicate to a physician or other health care professional with authority to prescribe drugs, within three business days of receiving a request for insurance coverage of a prescription drug benefit, that the request is approved, denied, or requires supplemental documentation.

This bill would also require a health insurer to communicate to a physician or other health care professional with authority to prescribe drugs, regarding the approval or denial of the request, within three business days of receiving sufficient supplemental documentation.

A BILL
TO BE ENTITLED
AN ACT

Relating to health care; to require a health insurer to communicate to a prescribing authority requesting

1 authorization for insurance coverage of prescription drug
2 benefits that the request is approved, denied, or requires
3 supplementation within a certain amount of time; and to
4 require a health insurer, when proper supplementation has been
5 received, to communicate to that prescriber within a certain
6 amount of time that the request for insurance coverage is
7 either approved or denied.

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. (a) For the purposes of this section, the
10 following terms have the following meanings:

11 (1) HEALTH INSURER. An entity subject to the
12 insurance laws of this state and rules of the Department of
13 Insurance, or subject to the jurisdiction of the department,
14 that contracts or offers to contract to provide, deliver,
15 arrange for, pay for, or reimburse any of the costs of health
16 care services, including, but not limited to, a sickness and
17 accident insurance company, a health maintenance organization
18 operating pursuant to Chapter 21A of Title 27, Code of Alabama
19 1975, a nonprofit hospital or health service corporation, a
20 health care service plan organized pursuant to Article 6,
21 Chapter 20 of Title 10A, or any other entity providing a plan
22 of health insurance, health benefits, or health services.

23 (2) PRESCRIBER. Any health care professional having
24 the authority to prescribe drugs in this state.

25 (3) PRIOR AUTHORIZATION. The approval process used
26 by a health insurer before certain prescription drug benefits
27 may be provided.

1 (4) SUPPLEMENTATION. A request communicated by a
2 health insurer to a prescriber or his or her designee, for
3 additional information, limited to items specifically
4 requested on an applicable prior authorization request,
5 necessary to approve or deny the prior authorization request.

6 (b) (1) Within three business days of the receipt of
7 a fully completed prior authorization request from a
8 prescriber or his or her designee, a health insurer shall
9 communicate electronically, telephonically, or by facsimile to
10 the prescriber or his or her designee that the request is
11 approved, denied, or requires supplementation.

12 (2) Within three business days of the receipt of a
13 properly completed supplementation from the prescriber or his
14 or her designee, a health insurer shall communicate
15 electronically, telephonically, or by facsimile to the
16 prescriber or his or her designee, that the request is
17 approved or denied.

18 Section 2. This act shall become effective on the
19 first day of the third month following its passage and
20 approval by the Governor, or its otherwise becoming law.