



State of Tennessee

PUBLIC CHAPTER NO. 664

HOUSE BILL NO. 1195

By Representatives Garrett, Curcio, Parkinson, Hardaway, Freeman, White, Moody, Smith, Todd, Alexander, Mannis

Substituted for: Senate Bill No. 1248

By Senators Reeves, Briggs, Crowe

AN ACT to amend Tennessee Code Annotated, Title 56; Title 63 and Title 68, relative to health care.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 56-6-703, is amended by adding the following as a new subdivision:

() "Healthcare facility" means an institution, place, or building providing healthcare services that is required to be licensed under title 68, chapter 11, or title 33.

SECTION 2. Tennessee Code Annotated, Section 56-6-705(a), is amended by adding the following as a new subdivision (4) and redesignating the existing subdivision (4) and subsequent subdivisions:

(4) If the utilization review agent requires additional information from an enrollee, a provider, or healthcare facility to make a determination on a request for prior authorization, then, no later than five (5) business days after receipt of the request, the agent shall notify:

(A) The enrollee in writing, or through email or respective electronic portals, of the additional information needed to make the determination; and

(B) The provider or healthcare facility through email or respective electronic portals of the additional information needed to make the determination.

SECTION 3. Tennessee Code Annotated, Section 56-6-705(a)(10)(D), is amended by deleting "(a)(10)" and substituting "(a)(11)".

SECTION 4. Tennessee Code Annotated, Section 56-6-705(b), is amended by deleting the subsection and substituting:

(b) With the exception of those standards contained in subdivisions (a)(2), (4), (9), and (11), the commissioner shall exempt from the standards of this section a utilization review agent who has received accreditation by URAC or NCQA. Standards contained in subdivisions (a)(2) and (9) do not apply to a TennCare dental benefits management program or a state insurance plan set out in title 8, chapter 27. Subdivision (a)(4) does not apply to the TennCare program or a successor to the program provided for in the Medical Assistance Act of 1968, compiled in title 71, chapter 5, or to the CoverKids Act, compiled in title 71, chapter 3, part 11 or a successor program.

SECTION 5. Tennessee Code Annotated, Title 63, Chapter 1, Part 1, is amended by adding the following as a new section:

(a) As used in this section:

(1) "Communication" means written or electronic correspondence among a healthcare facility, health insurance entity, or provider concerning a prior authorization;

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(2) "Health insurance coverage" has the same meaning as defined in § 56-7-109;

(3) "Health insurance entity" means an entity subject to the insurance laws of this state, or subject to the jurisdiction of the commissioner of commerce and insurance, that contracts or offers to contract to provide health insurance coverage, including, but not limited to, an insurance company, a health maintenance organization, and a nonprofit hospital and medical service corporation;

(4) "Healthcare facility":

(A) Means an institution, place, or building providing healthcare services that is required to be licensed under title 68, chapter 11; and

(B) Excludes emergency room and in-patient services provided at a hospital, as defined in § 68-11-201;

(5) "Healthcare service" means a service for the diagnosis, prevention, treatment, cure, or relief of a health condition, illness, injury, or disease;

(6) "Minor" means an individual who has not attained eighteen (18) years of age;

(7) "Policyholder" means an individual who has contracted with a health insurance entity for healthcare services coverage; and

(8) "Provider" means an individual or entity performing services regulated pursuant to this title or title 68, chapter 11, with whom the health insurance entity has an express and valid network provider agreement or contract.

(b) Except as provided in subsection (d), a provider shall notify a patient of communication between the provider and a health insurance entity or healthcare facility concerning additional information needed to process a prior authorization request for the patient within five (5) business days after the communication has occurred. The notification must include a brief summary of the communication or a copy of the communication.

(c) The provider shall notify the patient via electronic means, such as by email or through an online patient portal offered by the provider, unless the patient requests, in writing, an alternative notification method.

(d) If the patient is a minor, then the provider must notify the policyholder whose health insurance coverage covers the minor.

(e) This section does not apply to the TennCare program or a successor to the program provided for in the Medical Assistance Act of 1968, compiled in title 71, chapter 5, or to the CoverKids Act of 2006, compiled in title 71, chapter 3, part 11 or a successor program.

SECTION 6. Tennessee Code Annotated, Title 68, Chapter 11, Part 2, is amended by adding the following as a new section:

(a) As used in this section:

(1) "Communication" means written or electronic correspondence among a healthcare facility, health insurance entity, or provider concerning a prior authorization;

(2) "Health insurance coverage" has the same meaning as defined in § 56-7-109;

(3) "Health insurance entity" means an entity subject to the insurance laws of this state, or subject to the jurisdiction of the commissioner, that contracts or offers to contract to provide health insurance coverage, including, but not

limited to, an insurance company, a health maintenance organization, and a nonprofit hospital and medical service corporation;

(4) "Healthcare facility":

(A) Means an institution, place, or building providing healthcare services that is required to be licensed under this chapter; and

(B) Excludes emergency room and in-patient services provided at a hospital as defined in § 68-11-201;

(5) "Healthcare service" means a service for the diagnosis, prevention, treatment, cure, or relief of a health condition, illness, injury, or disease;

(6) "Minor" means an individual who has not attained eighteen (18) years of age;

(7) "Policyholder" means an individual who has contracted with a health insurance entity for healthcare services coverage; and

(8) "Provider" means an individual or entity performing services regulated pursuant to title 63 or this chapter, with whom the health insurance entity has an express and valid network provider agreement or contract.

(b) Except as provided in subsection (d), a healthcare facility shall notify a patient of communication between the healthcare facility and a health insurance entity or provider concerning additional information needed to process a prior authorization request for the patient within five (5) business days after the communication has occurred. The notification must include a brief summary of the communication or a copy of the communication.

(c) The healthcare facility shall notify the patient via electronic means, such as by email or through an online patient portal offered by the healthcare facility, unless the patient requests, in writing, an alternative notification method.

(d) If the patient is a minor, then the healthcare facility must notify the policyholder whose health insurance coverage covers the minor.

(e) This section does not apply to the TennCare program or a successor to the program provided for in the Medical Assistance Act of 1968, compiled in title 71, chapter 5, or to the CoverKids Act of 2006, compiled in title 71, chapter 3, part 11 or a successor program.

SECTION 7. The commissioner of commerce and insurance and the commissioner of health are authorized to promulgate rules to effectuate the purposes of this act. The rules must be promulgated in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5.

SECTION 8. For the purpose of rule promulgation, this act takes effect upon becoming a law, the public welfare requiring it. For all other purposes, this act takes effect January 1, 2023, the public welfare requiring it, and applies to communications made pursuant to insurance policies entered into, issued, renewed, or amended on or after that date.

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PASSED: March 3, 2022



CAMERON SEXTON, SPEAKER
HOUSE OF REPRESENTATIVES



RANDY MCNALLY
SPEAKER OF THE SENATE

APPROVED this 18th day of March 2022



BILL LEE, GOVERNOR