



Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### **Synopsis:**

HB 461 enacts a new section of the Prior Authorization Act (59A-22B-1 NMSA 1978) that requires health insurers to establish procedures to grant exemptions from their prior authorization processes to health care professionals that have received approval for 90 percent or more of their recent outpatient prior authorization requests. HB 461 also gives health care professionals the right to request an independent review by a person licensed to practice medicine in New Mexico of a determination to rescind a prior authorization exemption.

#### **FISCAL IMPLICATIONS**

#### **SIGNIFICANT ISSUES**

Prior authorization is the determination by a health insurer prior to the delivery of a healthcare service that an individual is eligible to receive that service based on the medical necessity of the service, the appropriateness of the site of service delivery, and individual's insurance coverage.

Prior authorization is a time-consuming process utilized by health insurers to control costs.

By reducing the need for prior authorizations by clinicians whose prior authorization requests are routinely approved, this legislation has the potential to reduce administrative burden, expedite access to care and ultimately reduce healthcare costs.

#### **PERFORMANCE IMPLICATIONS**

#### **ADMINISTRATIVE IMPLICATIONS**

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

#### **TECHNICAL ISSUES**

#### **OTHER SUBSTANTIVE ISSUES**

#### **ALTERNATIVES**

#### **WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

#### **AMENDMENTS**