Senate Engrossed

FILED
MICHELE REAGAN
SECRETARY OF STATE

State of Arizona
Senate
Fifty-second Legislature
First Regular Session
2015

CHAPTER 151

SENATE BILL 1166

AN ACT

AMENDING SECTION 20-2532, ARIZONA REVISED STATUTES; RELATING TO UTILIZATION REVIEW.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 20-2532, Arizona Revised Statutes, is amended to read:

20-2532. Utilization review standards and criteria; requirements

A. Each utilization review agent shall:

1. Adopt a written utilization review plan with standards and criteria that apply to all utilization review decisions and that are objective, clinically valid and compatible with established principles of health care.

2. Establish the utilization review plan with input from physician advisors who represent major medical specialties and who are certified or board eligible under the standards of the appropriate American medical specialty board.

3. Include in the adopted utilization review plan a process for prompt initial reconsideration of an adverse decision and a process for appeals that meet the requirements of this article. This paragraph ~~shall~~ DOES not apply to utilization review activities limited to retrospective claims review.

B. Deviations from the written standards and criteria in the utilization review plan are permitted if the utilization review agent determines that the member and other members with similar symptoms and diagnoses would materially benefit from new treatments available because of medical or technological advances made since the adoption of the utilization review plan and made in accordance with accepted medical standards. This subsection ~~shall~~ DOES not apply to utilization review activities limited to retrospective claims review. Nothing in this subsection creates a private right or cause of action against a health care insurer or utilization review agent for failure to deviate from the utilization review plan.

C. A health care insurer who utilizes the services of an outside utilization review agent shall adopt a utilization review plan pursuant to subsections A and B of this section. The utilization review plan adopted and filed by the health care insurer who utilizes the services of an outside utilization review agent is deemed adopted by that utilization review agent.

D. A health care insurer who utilizes the services of an outside utilization review agent is responsible for the utilization review agent's acts that are within the scope of the written and filed utilization review plan, INCLUDING THE ADMINISTRATION OF ALL PATIENT CLAIMS PROCESSED BY THE UTILIZATION REVIEW AGENT ON BEHALF OF THE HEALTH CARE INSURER.

E. Notwithstanding section 20-2502, subsection B, each utilization review agent shall file a notice with the director that provides a specific description and the published date of the source of the written standards and criteria of the utilization review plan and that certifies that the utilization review plan in use complies with the requirements of this section, is available for review and inspection at a designated location in this state or at an office accessible to authorized representatives of the director in another state and is the complete utilization review plan with

all standards and criteria on which utilization review decisions are based. A copy of any portion of the utilization review plan on which any adverse decisions have been based shall be made before the effective date of any modification and the utilization review agent shall retain a copy at the designated location for review and inspection for a period of five years after the date of the modification. If at any time a complete change in the written standards and criteria occurs, the utilization review agent shall ~~submit~~ FILE a new certification ~~filing~~ notice with the director.

F. On or before March 1 of each year after the year in which the utilization review agent filed the notice prescribed in subsection E of this section, the utilization review agent or the agent's successor shall submit a signed and notarized annual report to the director that includes the designated location for review and inspection by the director or the director's authorized representative and that certifies that:

1. The utilization review plan and all modifications remain in compliance with the requirements of this section.

2. The utilization review agent will conduct all utilization reviews in accordance with the plan.

3. All adverse decisions made in the prior year were based on the plan in effect on the date of those decisions.

G. On written request, the utilization review agent shall provide copies to any member or the member's treating provider of:

1. Those portions of the utilization review agent's utilization review plan that are relevant to the request for a covered service or claim for a covered service.

2. The protocols or guidelines that were used if the standards and criteria adopted are based on protocols or guidelines developed by an American medical specialty board.

H. Any person who requests records pursuant to subsection G of this section shall direct the request to the utilization review agent and not to the department.

I. If the utilization review plan is copyrighted by a person other than the utilization review agent, the health care insurer shall make a good faith effort to obtain permission from that person to make copies of the relevant material. If the health care insurer is unable to secure copyright permission, the utilization review agent shall provide a detailed summary of the relevant portions of the utilization review plan.

J. Health care insurers having utilization review activities limited to retrospective claims review shall be required to adopt only those procedures and sources of review that are traditionally associated with and necessary for retrospective claims review.

APPROVED BY THE GOVERNOR APRIL 1, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 2, 2015.

Passed the House March 23, 2015,

by the following vote: 57 Ayes,

0 Nays, 3 Not Voting

Speaker of the House

Jim Drake

Chief Clerk of the House

Passed the Senate February 16, 2015,

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

26th day of March, 2015,

at 3:28 o'clock P. M.

Secretary to the Governor

Approved this 1st day of

April, 2015,

at 3:17 o'clock P. M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 2 day of April, 2015,

at 9:00 o'clock A M.

Michele Reagan

Secretary of State

S.B. 1166