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SENATE BILL 117

50TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2011

INTRODUCED BY

John M. Sapien

AN ACT

RELATING TO DRUGS; PROVIDING FOR THE STANDARDIZATION OF
ELECTRONIC PRIOR AUTHORIZATION OF PRESCRIPTIONS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. SHORT TITLE.--This act may be cited as the
"Electronic Prior Authorization of Prescriptions Act".

SECTION 2. DEFINITION OF E-PRIOR AUTHORIZATION.--As used
in the Electronic Prior Authorization of Prescriptions Act, "e-
prior authorization" means a requirement that a prescriber
obtain approval via electronic media from a health plan to
prescribe a specific medication prior to dispensing.

**SECTION 3. E-PRIOR AUTHORIZATION REQUEST TRANSACTION
STANDARDIZATION.**--On or before June 30, 2012, the board of
pharmacy, in consultation with the insurance division of the
public regulation commission, shall identify an outline on how

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1 best to standardize e-prior authorization request transactions
2 between health care providers and group purchasers with the
3 goal of maximizing administrative simplification and efficiency
4 in preparation for electronic transmission. The provisions of
5 such e-prior authorization request transactions standards
6 shall, at a minimum, include:

7 A. health plans allowing for an e-prior
8 authorization approval within forty-eight hours of a request;

9 B. allowing for dispensing a seventy-two-hour
10 supply in an emergency;

11 C. prior authorization denials resulting in an
12 explanation of benefit for patients similar to any other
13 coverage denial, including communication of appeals rights at
14 the time of denial;

15 D. coverage for prescription medications in all
16 therapeutic classes and classes without e-prior authorization
17 restrictions;

18 E. access without e-prior authorization provided to
19 more than one drug or device per therapeutic class where more
20 than one drug or device is available;

21 F. comprehensive review of all e-prior
22 authorization access restrictions to be conducted at least
23 annually;

24 G. coverage of new medications not included in the
25 e-prior authorization restriction list until a determination is

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1 made as to whether the new medication shall be included in the
2 e-prior authorization restriction list;

3 H. notification to each health care provider and
4 pharmacy of any new e-prior authorization restrictions at least
5 sixty days prior to the effective date of the restriction;

6 I. providing the e-prior authorization restriction
7 list to any health care provider or a member of the public upon
8 request; and

9 J. establishing a process to review grievances of
10 health care providers and other interested parties concerning
11 denial of e-prior authorization requests.

12 SECTION 4. ELECTRONIC DATA INTERCHANGE STANDARDS.--On or
13 before January 1, 2015, the board of pharmacy, in consultation
14 with the insurance division of the public regulation
15 commission, shall develop standards by which health care
16 providers and group purchasers will exchange standard e-prior
17 authorization requests for drugs and devices using electronic
18 data interchange standards, if available, with the goal of
19 alignment with standards that are or will potentially be used
20 nationally.

21 SECTION 5. ELECTRONIC PRIOR AUTHORIZATION REQUEST
22 ACCESSIBILITY.--On or before January 1, 2016, e-prior
23 authorization requests shall be accessible and submitted by
24 providers, and accepted by group purchasers, through secure
25 electronic transmissions. Facsimiles shall not be considered

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1 electronic submissions. Nothing in the Electronic Prior
2 Authorization of Prescriptions Act shall preclude the option
3 for paper e-prior authorization forms.

4 SECTION 6. EFFECTIVE DATE.--The effective date of the
5 provisions of this act is July 1, 2011.