State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-1669/P2
JPC:cdc&skw

DOA:.....Lessner, BB0374 - Prior Authorization Exemption Framework

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

INSURANCE

Exemption from prior authorization requirements

The bill allows the commissioner of insurance to establish, by rule, that any health insurance policy or plan that uses a prior authorization process must exempt health care providers from obtaining prior authorizations for a health care item or service for a period of time established by the commissioner if, in the most recent evaluation period established by the commissioner, the health insurance policy or plan has approved or would have approved not less than a certain proportion of prior authorization requests, as established by the commissioner, submitted by the health care provider for the health care item or service. The commissioner may specify the health care items or services that may be subject to this exemption. Further, the commissioner may specify how health care providers may obtain an exemption from obtaining prior authorizations under the bill, including by providing a process for automatic evaluation.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 609.815 of the statutes is created to read:

609.815 Exemption from prior authorization requirements. Limited service health organizations, preferred provider plans, and defined network plans are subject to any rules promulgated by the commissioner under s. 632.848.

SECTION 2. 632.848 of the statutes is created to read:

632.848 Exemption from prior authorization requirements. (1) In this section:

(a) "Evaluation period" means the period of time established by the commissioner by rule that is used to evaluate whether a health care provider qualifies for an exemption from obtaining prior authorizations under sub. (2).

(b) "Health benefit plan" has the meaning given in s. 632.745 (11).

(c) "Health care item or service" includes all of the following:

1. Prescription drugs.

2. Laboratory testing.

3. Medical equipment.

4. Medical supplies.

(d) "Health care provider" has the meaning given in s. 146.81 (1) (a) to (p).

(e) "Prior authorization" means a determination by a health benefit plan, self-insured health plans, or person contracting with a health benefit plan or self-insured health plan that health care items or services proposed to be provided to a patient are medically necessary and appropriate.

(f) "Self-insured health plan" has the meaning given in s. 632.85 (1) (c).

(2) The commissioner may by rule provide that any health benefit plan or self-insured health plan that uses a prior authorization process shall exempt health care providers from obtaining prior authorizations for a health care item or service for a period of time established by the commissioner if, in the most recent evaluation period, the health benefit plan or self-insured health plan has approved or would have approved not less than the proportion of prior authorization requests established under sub. (3) submitted by the health care provider for the health care item or service.

(3) The commissioner shall specify the proportion of prior authorization

requests submitted by a health care provider that have to be approved for the health care provider to qualify for an exemption from obtaining prior authorizations under sub. (2).

(4) The commissioner may specify by rule the health care items or services that may be subject to the exemption from obtaining prior authorizations under sub. (2).

(5) The commissioner may specify how health care providers may obtain an exemption from obtaining prior authorizations under sub. (2) including by providing a process for automatic evaluation.

(6) The commissioner may promulgate further rules necessary to implement this section.

(END)