
Wisconsin Legislative Council

AMENDMENT MEMO



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2023 Assembly Bill 507

**Assembly
Amendment 1**

2023 ASSEMBLY BILL 507

2023 Assembly Bill 507 addresses a few specific aspects of health insurance prior authorization requirements and utilization reviews.

In particular, the bill specifies that a health insurance policy or governmental self-insured plan may not require prior authorization for coverage of any of the following services:

- The first 12 visits for physical therapy, occupational therapy, speech therapy, or chiropractic services, in a new episode of care.
- Nonpharmacologic management of chronic pain, for the first 90 days of treatment.
- A covered health care service that is incidental to a covered surgical service, if determined to be medically necessary by the patient's health care provider.
- A covered health care service that is an urgent health care service. This applies to a service for which a nonexpedited request for prior authorization could seriously jeopardize the patient's life, health, or ability to regain maximum function, or subject the patient to severe pain without the treatment.

In addition, the bill requires a health insurance policy or governmental self-insured plan to do the following:

- Provide compensation, using a standard established in the bill, for clinical data entry work that is required for utilization review of physical therapy, occupational therapy, speech therapy, or chiropractic services.
- Impose copayment and coinsurance amounts that are equivalent to the amounts imposed for primary care services.
- Issue a reauthorization decision for a previously authorized service within 48 hours after submission of a reauthorization request.

Lastly, the bill specifies that a utilization review organization or utilization management organization may not use claims data as evidence to manage coverage and must provide evidence-based policy information used to manage coverage upon a health care provider's request. An organization must also staff peer review activities with health care providers licensed in Wisconsin, in the type of service that is the subject of the review.

ASSEMBLY AMENDMENT 1

First, Assembly Amendment 1 revises two of the covered services that must be provided without prior authorization:

- Coverage for nonpharmacologic management of chronic pain, for the first 90 days of treatment, is revised to prohibit prior authorization specifically for physical therapy, occupational therapy, or chiropractic care for the nonpharmacologic management of chronic pain, for the first 90 days of treatment, not exceeding a frequency of twice per week per service.
- Coverage for a “covered health care service” that is incidental to a covered surgical service is revised to prohibit prior authorization for a “covered service” that is incidental to a covered surgical service.

Second, Assembly Amendment 1 removes the requirement for a health insurance policy or governmental self-insured plan to provide compensation for clinical data entry work that is required for utilization review of physical therapy, occupational therapy, speech therapy, or chiropractic services.

Third, Assembly Amendment 1 revises the requirement to impose copayment and coinsurance amounts that are equivalent to the amounts imposed for primary care services to specify that if a copayment or coinsurance amount is required, the amount must be equivalent to the amounts imposed for primary care services.

Lastly, Assembly Amendment 1 removes and replaces the requirement for a health insurance policy or governmental self-insured plan to issue a reauthorization decision for a previously authorized service within 48 hours after submission of a reauthorization request. Under the amendment, a health insurance policy or governmental self-insured plan must issue an authorization decision within three business days of receiving an authorization request following completion of the initial 12 visits for physical therapy, occupational therapy, speech therapy, or chiropractic services that had been covered without prior authorization as provided in the bill. Additionally, a reauthorization decision must be issued within three business days of receiving a reauthorization request.

BILL HISTORY

Representative VanderMeer offered Assembly Amendment 1 on February 5, 2024. On February 14, 2024, the Assembly Committee on Health, Aging and Long-Term Care unanimously recommended adoption of the amendment, and passage of the bill, as amended.

For a full history of the bill, visit the Legislature’s [bill history page](#).

MSK:jal