

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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House Bill 5576 (Substitute H-3 as reported with amendments)

Sponsor: Representative Charles LaSata

House Committee: Health Policy

Senate Committee: Health Policy

## **CONTENT**

The bill would create the "Patient's Right to Independent Review Act" to do all of the following:

- Require a health carrier to notify a covered person of internal grievance and external review processes, when the carrier notified the person of an adverse determination (the denial, reduction, or termination of a health care service).
- Allow the covered person to submit a request for external review to the Commissioner of the Office of Financial and Insurance Services, who would have to conduct a preliminary review and decide whether to accept the request.
- Require the Commissioner, upon accepting the request, to assign an independent review organization to conduct an external review and make a recommendation.
- Require the Commissioner to decide whether to uphold or reverse the adverse determination.
- Allow a covered person to request an expedited external review if, due to his or her medical condition, the time frame for a standard external review would jeopardize the person's life, health, or ability to regain maximum function.
- Require independent review organizations to be approved by the Commissioner, and establish qualifications for independent review organizations and clinical peer reviewers.
- Establish record-keeping and reporting requirements for independent review organizations and health carriers.
- Require health carriers to include a description of the internal grievance and external review procedures in coverage information given to covered persons.
- Allow the Commissioner to order civil fines and license sanctions for violations, as well as enhanced fines for deliberate violations.
- Create the "Cancer Clinical Trials Fund" and require fine revenue to be deposited in it.

The bill would take effect October 1, 2000.

Legislative Analyst: G. Towne

## **FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on the Office of Financial and Insurance Services. The Office would be required under this bill to take on additional responsibilities for creating and implementing an independent review program, including approving and assigning independent review organizations, and collection and submission of reports and record-keeping for these organizations. According to the Department of Consumer and Industry Services (DCIS), this would require the hiring of additional staff to perform these functions. There is currently no information available about what these costs would total or what fund source would be used to cover them. The bill also would have an indeterminate fiscal impact on the DCIS or the Department of Community Health, as there is no information regarding which one would administer the Cancer Clinical Trials Fund or the amount of revenue generated.

Date Completed: 6-5-00

Fiscal Analyst: M. Tyszkiewicz