



# 131st MAINE LEGISLATURE

LD 796

LR 1786(02)

## An Act Concerning Prior Authorizations for Health Care Provider Services

**Fiscal Note for Bill as Amended by Committee Amendment " "**

**Committee: Health Coverage, Insurance and Financial Services**

**Fiscal Note Required: Yes**

### Fiscal Note

|                                   | FY 2023-24 | FY 2024-25 | Projections<br>FY 2025-26 | Projections<br>FY 2026-27 |
|-----------------------------------|------------|------------|---------------------------|---------------------------|
| <b>Net Cost (Savings)</b>         |            |            |                           |                           |
| General Fund                      | \$0        | \$0        | \$50,058                  | \$50,058                  |
| Highway Fund                      | \$0        | \$0        | \$18,475                  | \$18,475                  |
| <b>Appropriations/Allocations</b> |            |            |                           |                           |
| General Fund                      | \$0        | \$0        | \$50,058                  | \$50,058                  |
| Highway Fund                      | \$0        | \$0        | \$18,475                  | \$18,475                  |

#### Fiscal Detail and Notes

The bill prohibits carriers from denying claims for nonemergency services that were within the scope of the enrollee's coverage pending medical necessity review and prohibits carriers from imposing a penalty of more than 15% of the contractually allowed amount for the services that required prior authorization approval on the provider for failing to obtain a prior authorization.

The requirements of the bill apply to health plans issued or renewed on or after January 1, 2025. The State Employee Health Plan's first impacted plan year will be SFY 2026 and is estimated to cost \$110,874 annually thereafter. The costs are split across the General Fund (\$50,058), Highway Funds (\$18,475) and all other funds (\$42,341).

Any additional costs to the Department of Professional and Financial Regulation from the provisions of this bill are expected to be minor and can be absorbed within existing budgeted resources.