

HOUSE BILL NO. 91

INTRODUCED BY V. RICCI

BY REQUEST OF THE STATE AUDITOR

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE REGULATION OF INDEPENDENT REVIEW ORGANIZATIONS; REQUIRING A FEE FOR APPROVAL OR RENEWAL APPLICATIONS; MODIFYING REPORTING REQUIREMENTS; AND AMENDING SECTIONS 33-32-416 AND 33-32-421, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Fees. (1) An application for approval of an independent review organization under 33-32-416 must be accompanied by a fee of \$250.

(2) An application for renewal as an approved independent review organization must be accompanied by a fee of \$150.

Section 2. Section 33-32-416, MCA, is amended to read:

"33-32-416. Approval of independent review organizations -- renewal. (1) The commissioner shall approve independent review organizations that are eligible to conduct external reviews under this part.

(2) To be eligible for approval by the commissioner to conduct external reviews under this part, an independent review organization:

(a) must be accredited by a nationally recognized private accrediting entity as provided in subsection (5) and meet the minimum qualifications provided in 33-32-417; and

(b) shall submit an application fee as provided in [section 1] and an application for approval in accordance with subsection (4) or, for those currently approved and seeking renewal, a renewal fee and renewal application.

(3) The commissioner shall develop an application form for initially approving and for reapproving independent review organizations to conduct external reviews.

(4) (a) Any independent review organization seeking to be approved to conduct external reviews under this part shall submit the application form and include with the form all documentation, fees, and information necessary for the commissioner to determine whether the independent review organization satisfies the minimum

1 qualifications established under 33-32-417 and subsection (5) of this section.

2 (b) An independent review organization that is currently approved and seeking renewal shall submit a
3 renewal application, fees, and other information necessary for the commissioner to determine whether the
4 independent review organization continues to satisfy the minimum qualifications established under 33-32-417
5 and subsection (5) of this section.

6 (5) An independent review organization is eligible for approval under this section only if it is accredited
7 by a nationally recognized private accrediting entity approved by the commissioner as having independent review
8 organization accreditation standards that are equivalent to or exceed the minimum qualifications for independent
9 review organizations established under 33-32-417.

10 (6) The commissioner's approval of an independent review organization is effective for 2 years unless
11 the commissioner determines before the expiration date that the independent review organization:

12 (a) is not satisfying the minimum qualifications established under 33-32-417; or

13 (b) has not fulfilled the reporting requirements under 33-32-421.

14 (7) If the commissioner determines that an independent review organization has lost its accreditation
15 or no longer satisfies the minimum requirements established under 33-32-417, the commissioner shall terminate
16 the approval of the independent review organization and remove the independent review organization from the
17 list of independent review organizations maintained by the commissioner pursuant to subsection ~~(8)~~ (9).

18 (8) If the commissioner determines that an independent review organization has not fulfilled the reporting
19 requirements contained in 33-32-421, the commissioner may terminate the approval of the independent review
20 organization and remove the independent review organization from the list of independent review organizations
21 maintained by the commissioner pursuant to subsection (9).

22 ~~(8)~~(9) The commissioner shall maintain and periodically update a list of approved independent review
23 organizations.

24 (10) A person may not operate as an independent review organization in Montana unless approved by
25 the commissioner."

26

27 **Section 3.** Section 33-32-421, MCA, is amended to read:

28 **"33-32-421. External review reporting requirements.** (1) An independent review organization assigned
29 pursuant to 33-32-410, 33-32-411, or 33-32-412 to conduct an external review shall maintain written records in
30 the aggregate by state and by health insurance issuer on all requests for external reviews for which the

1 independent review organization conducted an external review during the calendar year.

2 (2) Each independent review organization required to maintain written records as provided in subsection
3 (1) shall submit to the commissioner, at least annually by March 1, a report in the format specified by the
4 commissioner.

5 (3) The report must include, aggregated by state and by health insurance issuer:

6 (a) the total number of requests for external review;

7 (b) the number of requests for external review resolved and, of those resolved, the number resolved
8 upholding the adverse determination or final adverse determination and the number resolved reversing the
9 adverse determination or final adverse determination;

10 (c) the average length of time for resolution;

11 (d) a summary of the types of coverages or cases for which an external review was sought, provided in
12 the format required by the commissioner;

13 (e) the number of external reviews that were terminated pursuant to 33-32-410(17) or 33-32-412(15) as
14 the result of a reconsideration by the health insurance issuer of its adverse determination or final adverse
15 determination after the receipt of additional information from the covered person or, if applicable, the covered
16 person's authorized representative;

17 ~~(f) a record of the requests for external review that the health insurance issuer did not assign to a specific
18 independent review organization according to the scheduled rotation due to lack of qualification; and~~

19 ~~(g)~~(f) any other information the commissioner may request or require.

20 (4) The independent review organization shall retain the written records required pursuant to subsection
21 (1) for at least 6 years.

22 (5) Each health insurance issuer shall maintain in the aggregate for each type of health plan offered by
23 the health insurance issuer written records on all requests for external review for which the health insurance
24 issuer received notice pursuant to Title 33, chapter 32, parts 2 through 4.

25 (6) Each health insurance issuer required to maintain written records on all requests for external review
26 pursuant to subsection (5) shall submit to the commissioner, at least annually by March 1, a report in the format
27 specified by the commissioner.

28 (7) The report must include in the aggregate by state and by type of health plan:

29 (a) the total number of requests for external review;

30 (b) the number of requests determined eligible for a full external review based on the total number of

1 requests for external review reported under subsection (7)(a);

2 (c) the number of requests for external review resolved and, of those resolved, the number resolved
3 upholding the adverse determination or final adverse determination and the number resolved reversing the
4 adverse determination or final adverse determination;

5 (d) the average length of time for resolution;

6 (e) a summary of the types of coverage or cases for which an external review was sought, as provided
7 in the format required by the department;

8 (f) the number of external reviews that were terminated as the result of a reconsideration by the health
9 carrier of its adverse determination or final adverse determination after the receipt of additional information from
10 the covered person or, if applicable, the covered person's authorized representative; and

11 (g) any other information the commissioner may request or require.

12 (8) The health insurance issuer shall retain the written records required pursuant to subsection (5) for
13 at least 6 years."

14
15 **NEW SECTION. Section 4. Codification instruction.** [Section 1] is intended to be codified as an
16 integral part of Title 33, chapter 32, part 4, and the provisions of Title 33, chapter 32, part 4, apply to [section 1].

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