

1 **Health Insurance Preauthorization Amendments**

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: John D. Johnson

House Sponsor:

2 **LONG TITLE**

3 **General Description:**

4 This bill amends requirements for health insurance preauthorization.

5 **Highlighted Provisions:**

6 This bill:

- 7
 - 8 ▶ requires an insurer to post certain information regarding preauthorizations and
 - 9 preauthorization requirements on the insurer's website;
 - 10 ▶ requires an insurer to disclose whether the insurer uses artificial intelligence in the
 - 11 process of reviewing a request for authorization;
 - 12 ▶ defines a maximum time in which an insurer is required to make an authorization or
 - 13 adverse preauthorization determination;
 - 14 ▶ provides minimum periods that an authorization must be valid for health care services to
 - 15 treat chronic or long-term care conditions;
 - 16 ▶ amends requirements for reporting to the Insurance Department related to
 - 17 preauthorization statistics, including information related to prescription drugs;
 - 18 ▶ requires an individual reviewing an adverse preauthorization determination to use
 - 19 independent medical judgment and not rely solely on recommendations from any other
 - 20 source;
 - 21 ▶ requires an insurer to provide certain information in a notice regarding an adverse
 - 22 preauthorization determination;
 - 23 ▶ defines terms; and
 - 24 ▶ makes technical and conforming changes.

25 **Money Appropriated in this Bill:**

26 None

27 **Other Special Clauses:**

28 None

29 **Utah Code Sections Affected:**

30 AMENDS:

31 **31A-22-650**, as last amended by Laws of Utah 2025, Chapter 473

32 **63I-1-231**, as last amended by Laws of Utah 2025, Chapters 241, 473

33

34 *Be it enacted by the Legislature of the state of Utah:*

35 Section 1. Section **31A-22-650** is amended to read:

36 **31A-22-650 . Health care preauthorization requirements -- Notice -- Reporting --**
 37 **Retroactive denial prohibited.**

38 (1) As used in this section:

39 (a) "Adverse preauthorization determination" means a determination by an insurer that
 40 health care does not meet the preauthorization requirement for the health care.

41 (b)(i) "Artificial intelligence" means the same as that term is defined in Section
 42 53-25-901.

43 (ii) "Artificial intelligence" includes generative artificial intelligence.

44 ~~(b)~~ (c) "Authorization" means a determination by an insurer that for health care with a
 45 preauthorization requirement:

46 (i) the proposed drug, device, or covered service meets all requirements, restrictions,
 47 limitations, and clinical criteria for authorization established by the insurer;

48 (ii) the drug, device, or covered service is covered by the enrollee's insurance policy;
 49 and

50 (iii) the insurer will provide coverage for the drug, device, or covered service subject
 51 to the provisions of the insurance policy, including any cost sharing
 52 responsibilities of the enrollee.

53 (d) "Authorization validity period" means how long an authorization is valid as specified
 54 by the insurer under Subsection 31A-22-650(7).

55 (e) "Chronic or long-term care condition" means a condition that lasts at least three
 56 months and:

57 (i) requires ongoing medical attention; or

58 (ii) limits the activities of daily life.

59 (f) "Decision" means an authorization or an adverse preauthorization determination.

60 ~~(e)~~ (g) "Device" means a prescription device as defined in Section 58-17b-102.

61 ~~(d)~~ (h) "Drug" means the same as that term is defined in Section 58-17b-102.

62 (i) "Duration of authorized covered service" means the duration of a covered service that
 63 an insurer authorizes.

64 (j) "Generative artificial intelligence" means the same as that term is defined in Section

65 53-25-901.

66 (k) "Health benefit plan" means the same as that term is defined in Section 31A-1-301.

67 ~~(e)~~ (l) "Insurer" means the same as that term is defined in Section 31A-22-634.

68 ~~(f)~~ (m) "Preauthorization requirement" means a requirement by an insurer that an
69 enrollee obtain authorization for a drug, device, or service covered by the insurance
70 policy, before receiving the drug, device, or service.

71 (n) "Urgent care services" means health care services with respect to which the
72 application of the time periods for making a non-expedited authorization, which in
73 the opinion of a physician with knowledge of the enrollee's medical condition, and as
74 supported by documentation:

75 (i) could seriously jeopardize the life or health of the enrollee or the ability of the
76 enrollee to regain maximum function; or

77 (ii) could subject the enrollee to severe pain that cannot be adequately managed
78 without the care or treatment that is the subject of the request for authorization.

79 (2) In addition to the requirements described in Section 31A-22-613.5, an insurer shall post
80 on the insurer's website in a conspicuous location accessible by the general public:

81 (a) all preauthorization requirements in detail and in easily understandable language;

82 (b) statistics of the insurer's authorizations and adverse preauthorization determinations,
83 including categories for:

84 (i) the number of authorizations and adverse preauthorization determinations;

85 (ii) the number of decisions appealed;

86 (iii) the outcomes of appeals; and

87 (iv) the average time between an appeal submission and the response to the appeal;

88 (c) adverse preauthorization determinations that are the result of a provider's failure to
89 submit a request for authorization or a request for authorization's failure to meet the
90 insurer's preauthorization requirements; and

91 (d) a notice that the insurer uses artificial intelligence in the insurer's processes for
92 reviewing an authorization request, if applicable.

93 (3) An insurer shall disclose to the department, to each health care provider in the insurer's
94 network, and to each enrollee if the insurer uses artificial intelligence in the insurer's
95 processes for reviewing an authorization request.

96 ~~(2)~~ (4)(a) An insurer may not modify an existing requirement for authorization unless,
97 at least 30 days before the day on which the modification takes effect, the insurer:

98 (i) posts a notice of the modification on the website described in Subsection

- 99 31A-22-613.5(6)(a); ~~and~~
- 100 (ii) if requested by a network provider or the network provider's representative,
101 provides to the network provider by mail or email a written notice of modification
102 to a particular requirement for authorization described in the request from the
103 network provider[-] ; and
- 104 (iii) updates on the insurer's website the information required under Subsection (2)(a)
105 to reflect the modification.
- 106 (b) Subsection ~~[(2)(a)]~~ (4)(a) does not apply if:
- 107 (i) complying with Subsection ~~[(2)(a)]~~ (4)(a) would create a danger to the enrollee's
108 health or safety; or
- 109 (ii) the modification is for a newly covered drug or device.
- 110 (c) An insurer may not revoke an authorization for a drug, device, or covered service if:
- 111 (i) the network provider submits a request for authorization for the drug, device, or
112 covered service to the insurer;
- 113 (ii) the insurer grants the authorization requested under Subsection ~~[(2)(e)(i)]~~ (4)(c)(i);
- 114 (iii) the network provider renders the drug, device, or covered service to the enrollee
115 in accordance with the authorization and any terms and conditions of the network
116 provider's contract with the insurer;
- 117 (iv) on the day on which the network provider renders the drug, device, or covered
118 service to the enrollee:
- 119 (A) the enrollee is eligible for coverage under the enrollee's insurance policy; and
120 (B) the enrollee's condition or circumstances related to the enrollee's care have not
121 changed;
- 122 (v) the network provider submits an accurate claim that matches the information in
123 the request for authorization under Subsection ~~[(2)(e)(i)]~~ (4)(c)(i); and
- 124 (vi) the authorization was not based on fraudulent or materially incorrect information
125 from the network provider.
- 126 (5)(a) Except as provided in Subsections (5)(b) and (c), an insurer that receives a request
127 for authorization shall make and notify the network provider of a decision no later
128 than five business days after the day on which the insurer receives all necessary
129 information required to make the decision.
- 130 (b) If an insurer that receives a request for authorization for urgent care services and
131 receives all information required to make a decision, the insurer shall make and
132 notify the network provider of a decision no later than 72 hours after the insurer

- 133 receives all necessary information required to make the decision.
- 134 (c) If an insurer receives a request for authorization for urgent care services and does not
135 receive all necessary information for the insurer to make a decision, the insurer shall:
- 136 (i) notify the network provider as soon as reasonably possible, but no later than one
137 business day after the day on which the insurer receives the claim, what additional
138 information is required to make a decision;
- 139 (ii) allow a network provider a reasonable amount of time, but not less than two
140 business days, to provide the additional information described in Subsection
141 (5)(c)(i); and
- 142 (iii) notify the network provider of the decision no later than two business days after
143 the day on which the insurer receives the additional information described in
144 Subsection (5)(c)(ii).
- 145 [~~3~~] (6)(a) An insurer that receives a request for authorization shall treat the request as a
146 pre-service claim as defined in 29 C.F.R. Sec. 2560.503-1 and process the request in
147 accordance with:
- 148 (i) 29 C.F.R. Sec. 2560.503-1, regardless of whether the coverage is offered through
149 an individual or group health insurance policy;
- 150 (ii) Subsection 31A-4-116(2); and
- 151 (iii) Section 31A-22-629.
- 152 (b) If a network provider submits a claim to an insurer that includes an unintentional
153 error that results in a denial of the claim, the insurer shall permit the network
154 provider with an opportunity to resubmit the claim with corrected information within
155 a reasonable amount of time.
- 156 (c) Except as provided in Subsection [~~3~~](d), the appeal of an adverse
157 preauthorization determination regarding clinical or medical necessity as requested
158 by a physician may only be reviewed by a physician who is currently licensed as a
159 physician and surgeon in a state, district, or territory of the United States.
- 160 (d) The appeal of an adverse determination requested by a physician regarding clinical
161 or medical necessity of a drug, may only be reviewed by an individual who is
162 currently licensed in a state, district, or territory of the United States as:
- 163 (i) a physician and surgeon; or
- 164 (ii) a pharmacist.
- 165 (e) An insurer shall ensure that an adverse preauthorization determination regarding
166 clinical or medical necessity is made by an individual who:

- 167 (i)(A) has knowledge of the medical condition or disease of the enrollee for whom
 168 the authorization is requested; or
 169 [(i)] (B) consults with a specialist who has knowledge of the medical condition or
 170 disease of the enrollee for whom the authorization is requested regarding the
 171 request before making the determination[-] ;
 172 (ii) except as provided in Subsection (6)(e)(i)(B), exercises independent medical
 173 judgment; and
 174 (iii) does not rely solely on recommendations from any other source.

175 [(f)] (7)(a) An insurer shall specify how long an authorization is valid and the duration of
 176 authorized covered service.

177 (b) Except as provided in Subsections (7)(c), (d), and (e), for a drug, device, or covered
 178 service to treat a chronic or long-term care condition, an authorization validity period
 179 may not be less than 12 months.

180 (c) An authorization validity period for a drug to treat a chronic or long-term care
 181 condition may be for a period shorter than 12 months if the authorization is for an
 182 experimental drug.

183 (d) An insurer may modify the authorization validity period for a drug to treat a chronic
 184 or long-term care condition if:

185 (i) the originally authorized drug is not effective in treating the chronic or long-term
 186 care condition;

187 (ii) a more effective drug is available to treat the chronic or long-term care condition;

188 (iii) a less costly and equally effective drug is available to treat the chronic or
 189 long-term care condition; or

190 (iv) the originally authorized drug ceases to be covered by the enrollee's health
 191 benefit plan.

192 (e) An authorization validity period for an outpatient covered service may not be less
 193 than six months.

194 [(4)] (8)(a) An insurer that removes a drug from the insurer's formulary shall:

195 (i) permit an enrollee, an enrollee's designee, or an enrollee's network provider to
 196 request an exemption from the change to the formulary for the purpose of
 197 providing the patient with continuity of care; and

198 (ii) have a process to review and make a [decision] determination regarding an
 199 exemption requested under Subsection [(4)(a)(i)] (8)(a)(i).

200 (b) If an insurer makes a change to the formulary for a drug in the middle of a plan year,

201 the insurer may not implement the changes for an enrollee that is on an active course
202 of treatment for the drug unless the insurer provides the enrollee with notice at least
203 30 days before the day on which the change is implemented.

204 ~~[(5)]~~ (9)(a) Each April 1, an insurer with a preauthorization requirement shall report to
205 the department, for the previous calendar year, the percentage of authorizations, not
206 including a claim involving urgent care as defined in 29 C.F.R. Sec. 2560.503-1, for
207 which the insurer notified a provider regarding an authorization or adverse
208 preauthorization determination more than one week after the day on which the
209 insurer received the request for authorization.

210 (b) Before March 1, 2026, and each March 1 thereafter, an insurer shall report to the
211 department the following for the previous calendar year:

212 (i) a list of services that have preauthorization requirements;

213 (ii) for pre-service preauthorization requests that were not urgent, the number and
214 percentage of individual service requests that:

215 (A) were approved;

216 (B) were denied;

217 (C) were approved after appeal;

218 (D) the time frame for review was extended, and the request was approved;

219 (E) were denied due to incomplete information from the health care provider; and

220 (F) were received through fax, phone, and electronic portal; ~~[and]~~

221 (iii) for urgent pre-service preauthorization requests, the number and percentage of
222 individual service requests that:

223 (A) were approved;

224 (B) were denied;

225 (C) were denied due to incomplete information from the health care provider; and

226 (D) were received through fax, phone, and electronic portal[-] ;

227 (iv) the average and median time between when the insurer received a request for
228 authorization and a decision; and

229 (v) the average and median time to process an appeal that a health care provider
230 submitted for an adverse preauthorization determination.

231 (c) Data provided to the department under Subsections ~~[(5)(b)(ii) and (iii)]~~ (9)(b)(ii)
232 through (v) shall be aggregated for all services.

233 ~~[(d) Subsection (5)(b) does not require an insurer to report information regarding~~
234 ~~prescription drugs.]~~

- 235 ~~[(e)]~~ (d) The department shall compile the information described in Subsection ~~[(5)(b)]~~
236 (9)(b) and publish the information on the department's website.
- 237 ~~[(6)]~~ (10) An insurer may not have a preauthorization requirement for emergency health care
238 as described in Section 31A-22-627.
- 239 (11) An insurer shall pay a contracted health care provider under the terms of the plan for a
240 service that was authorized unless:
- 241 (a) the health care provider:
- 242 (i) was no longer contracted with the enrollee's health benefit plan on the date the
243 service was provided;
- 244 (ii) failed to meet the insurer's timely filing requirements; or
- 245 (iii) bills a code or service that was not included in the request for authorization and
246 would have resulted in an adverse preauthorization determination if it had been
247 included in the request;
- 248 (b) the service was no longer a covered benefit on the day the service was provided;
- 249 (c) the insurer does not have liability for a claim; or
- 250 (d) the enrollee was no longer eligible for health care coverage on the day the service
251 was provided.
- 252 ~~[(7)]~~ (12)(a) For each adverse preauthorization determination made by an insurer, the
253 insurer shall provide to the enrollee and the enrollee's health care provider:
- 254 ~~[(a)]~~ (i) a detailed and specific explanation that explains why the determination was
255 made; ~~and~~
- 256 (ii) a notice that includes the following information for each health care billing code
257 included in the requested authorization on the first page of the notice:
- 258 (A) the health care billing codes that were approved;
- 259 (B) the health care billing codes that were denied;
- 260 (C) the estimated cost of each health care billing code, whether approved or
261 denied; and
- 262 (D) estimated enrollee cost-sharing details for each health care billing code,
263 whether approved or denied; and
- 264 ~~[(b)]~~ (iii) a notice explaining the determination may be appealed and the process for
265 appealing the determination, including how to begin an expedited appeal process
266 as described in Section 31A-22-629.
- 267 (b) An insurer may comply with the requirements of Subsections (12)(a)(ii)(C) and (D)
268 by providing a link to an internet website or other online tool that provides estimated

269 costs of health care billing codes.
270 [~~(8)~~] (13) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act,
271 the department may make rules to implement Subsection [~~(5)(b)~~] (9)(b).
272 Section 2. Section **63I-1-231** is amended to read:
273 **63I-1-231 . Repeal dates: Title 31A.**
274 (1) Section 31A-2-217, Coordination with other states, is repealed July 1, 2033.
275 (2) Subsection [~~31A-22-650(5)(b)~~] 31A-22-650(9)(b), regarding the reporting requirement
276 that includes the number of preauthorizations that were approved and denied, is repealed
277 July 1, 2029.
278 (3) Subsection [~~31A-22-650(8)~~] 31A-22-650(13), regarding the rulemaking for the
279 preauthorization reporting requirement, is repealed July 1, 2029.
280 (4) Section 31A-22-627.1, Ground ambulance reimbursement, is repealed July 1, 2027.
281 Section 3. **Effective Date.**
282 This bill takes effect on May 6, 2026.