

1 AN ACT relating to prior authorizations.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 304.17A-611 is amended to read as follows:

4 **(1)** A utilization review decision shall not retrospectively deny coverage for health care
5 services provided to a covered person when prior approval has been obtained from
6 the insurer or its designee for those services, unless the approval was based upon
7 fraudulent, materially inaccurate, or misrepresented information submitted by the
8 covered person, authorized person, or the provider.

9 **(2)** ***An insurer shall not require or conduct a prospective or concurrent review for a***
10 ***covered person's initial admission of up to fourteen (14) days to a short-term***
11 ***residential treatment facility for the purpose of substance use disorder treatment.***
12 ***A concurrent review may be conducted for authorization of payment for***
13 ***additional days of short-term treatment. The initial fourteen (14) days of***
14 ***substance use disorder treatment in a short-term residential treatment facility***
15 ***shall not require authorization.***

16 ➔Section 2. KRS 205.536 is amended to read as follows:

17 (1) A Medicaid managed care organization shall have a utilization review plan, as
18 defined in KRS 304.17A-600, that meets the requirements established in 42 C.F.R.
19 pts. 431, 438, and 456. If the Medicaid managed care organization utilizes a private
20 review agent, as defined in KRS 304.17A-600, the agent shall comply with all
21 applicable requirements of KRS 304.17A-600 to 304.17A-633.

22 (2) In conducting utilization reviews for Medicaid benefits, each Medicaid managed
23 care organization shall use the medical necessity criteria selected by the Department
24 of Insurance pursuant to KRS 304.38-240, for making determinations of medical
25 necessity and clinical appropriateness pursuant to the utilization review plan
26 required by subsection (1) of this section.

27 **(3)** ***The Department for Medicaid Services or any managed care organization***

1 contracted to provide Medicaid benefits pursuant to this chapter shall not require
2 or conduct a prospective or concurrent review, as defined in KRS 304.17A-600, of
3 a Medicaid recipient's initial admission of up to fourteen (14) days to a short-
4 term residential treatment facility for the purpose of substance use disorder
5 treatment. A concurrent review may be conducted for authorization of payment
6 for additional days of short-term treatment. The initial fourteen (14) days of
7 substance use disorder treatment in a short-term residential treatment facility
8 shall not require authorization.

9 ➔Section 3. This Act takes effect January 1, 2020.