

## Department of Commerce, Community, and Economic Development

DIVISION OF INSURANCE Juneau Office

P.O. Box 110805 Juneau, Alaska 99811-0805 Main: 907.465.2515 Fax: 907.465.3422

April 19, 2024

The Honorable David Wilson Chairman, Senate Health and Social Services State Capitol, Room 205 Juneau, AK 99801

Re: SB219 – Prior Authorization

Chairman Wilson,

On April 16<sup>th</sup>, during the discussion of SB219, I was asked to provide certain information regarding external health care review organizations.

External health care review is available when a recommended service or treatment is denied on the basis that it does not meet the insurer's requirements for medical necessity, appropriateness, healthcare setting, level of care or treatment effectiveness. External review is also available when an insurer denies medical services or treatment considered to be experimental or investigatory. The covered person must have exhausted the insurance company's internal grievance (appeal) process and received a final determination from the insurance company regarding the covered benefit (or "adverse determination"). However, there are exceptions from that requirement for urgent situations, where delayed treatment would seriously jeopardize the life or health of the covered person or the covered person's ability to regain maximum function. These exceptions are processed as expedited external healthcare reviews.

If the covered person is asking for a Standard Review, the independent review organization (IRO) has 45 days from when they accept the assignment to provide notice of their decision to reverse or uphold the insurer's decision. Similarly, in an Expedited Review, the IRO has 72 hours.

If the review is for an Experimental or Investigatory procedure, the review must be completed with a decision issued in 20 days. Finally, an Expedited Experimental or Investigatory Review must be completed within five days with a written decision no later than 48 hours after the review is completed.

Additional information, including a list of the IRO that are contracted with the division, can be found at: External Healthcare Review (alaska.gov).

Respectfully,

Lori Wing-Heier

Director