DEPARTMENT OF
Managed
Health Care

State Of California
Business, Transportation And Housing Agency
DEPARTMENT OF MANAGED HEALTH CARE

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Edmund G. Brown Jr.
Governor

Edward G. Heidig
Interim Director
Department of Managed Health Care

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TIMELY AUTHORIZATION OF PROVIDER REQUESTS

The purpose of this letter is to remind health care service plans (health plans) of their obligations under Health and Safety Code section 1367.01, because the Department of Managed Health Care (Department) has received inquiries regarding timelines for authorizing health care services for patients involved in clinical trials. Authorization requests in connection with clinical trials under Section 1370.6 should be expedited without any barriers that delay timely treatment for patients with cancer.

Health and Safety Code section 1367.01 provides specific timelines for health plans to follow when processing provider authorization requests. Subdivision (h)(1) of section 1367.01 provides that decisions to approve, modify, or deny provider authorization requests, based on medical necessity, shall be made in a timely fashion appropriate for the nature of the enrollee's condition, *not to exceed five business days* from the plan's receipt of the information reasonably necessary and requested by the plan to make the determination.

Additionally, unless otherwise required by federal law[1], subdivision (h)(2) of section 1367.01 provides that when an enrollee's condition poses an imminent and serious threat to his or her health, including, but not limited to, the potential loss of life, limb, or other major bodily function, decisions to approve, modify, or deny provider authorization requests must be made in a timely fashion, *not to exceed 72 hours* after the health plan receives the requested information.

[1] See the Public Health Services Act, section 2719, as amended by the Patient Protection and Affordable Coverage Act of 2010, and Title 45, Code of Federal Regulations, Section 147.136(b)(ii)(B), as proposed, requiring notice to a claimant of a benefit determination (whether adverse or not) for a claim involving urgent care, as soon as possible, taking into account the medical exigencies, but not later than 24 hours after the receipt of the claim by the issuer.

Finally, subdivision (g) of section 1367.01 allows health plans to request *only the information reasonably necessary* to determine whether to approve, modify, or deny a provider's request for authorization.

Section 1367.01 was added several years ago by Senate Bill 59 (Chapter 539, Statutes of 2000). Among other things, the legislative findings and declarations of this legislation emphasized the need to *speed up treatment of life-threatening illnesses* by establishing timelines for health insurer decisions to approve, modify, or deny a provider request.

Accordingly, it is imperative that health plans and their policies and procedures ensure compliance with these important requirements and objectives, handle provider authorization requests according to the specified timelines, distinguish between life-threatening and non-life-threatening conditions, and request only information reasonably necessary to make these decisions.

Moreover, health plans can continue to upgrade internal authorization processes to ensure optimum efficiency. For instance, delays can be avoided by utilizing resources and databases that are readily available on-line such as http://www.fda.gov/Drugs/default.htm to obtain FDA-approved drug information, or www.clinicaltrials.gov for clinical trial program information. Avoiding delays in the authorization process will help prevent harm that could cause a patient's condition to deteriorate, or possibly lead to death in the case of a life-threatening condition.

Consumers who do not receive timely authorization decisions can file a grievance with their health plan. Health and Safety Code section 1368(b)(1)(A) allows subscribers and enrollees to submit a grievance to the Department for review, after either completing the health plan's grievance process or participating in the health plan's grievance process for at least 30 days. However, earlier review may be warranted if there is an imminent and serious threat to the health of the patient, and the Department's Help Center has dedicated staff for handling those cases.

Edward G. Heidig, Interim Director

By _____

Timothy L. Le Bas
Assistant Deputy Director
(916) 322-6727