



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2027 Biennium

Bill#/Title: **HB0398.01: Generally revise insurance laws related to prior authorization of chronic conditions**

Primary Sponsor: Jonathan Karlen Status: As Introduced - Revised

☐ Included in the Executive Budget ☐ Needs to be included in HB 2 ☐ Significant Local Gov Impact
☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

FISCAL SUMMARY

| | <u>FY 2026 Difference</u> | <u>FY 2027 Difference</u> | <u>FY 2028 Difference</u> | <u>FY 2029 Difference</u> |
|-----------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Expenditures | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| Revenues | | | | |
| General Fund (01) | \$0 | \$0 | \$0 | \$0 |
| Net Impact | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| General Fund Balance | | | | |

Description of fiscal impact

HB 398 generally revises utilization review laws and establishes requirements and qualifications of individuals making or reviewing adverse determinations. There is no fiscal impact to the state since the proposed legislation does not require the state to expand oversight or provide additional services.

FISCAL ANALYSIS

Assumptions

State Auditor's Office

1. HB 398 requires a health insurer or utilization review organization to honor certifications for health care services granted by a previous insurer for at least three months when a covered person changes health plans. It also extends the minimum validity period of a certification approving health care service from three months to six months, and certifications for chronic conditions are valid for twelve months. HB 398 also outlines that only physicians with specific qualifications can make adverse determinations or review grievances.
2. There is no fiscal impact to the State Auditor's Office since the proposed legislation does not expand the office's oversight or require the office to provide any new services.



Sponsor's Initials

2/11/25

Date



Budget Director's Initials

2/10/2025

Date