

Fiscal Note

BILL # HB 2035

TITLE: insurance; claims; appeals; provider credentialing

SPONSOR: Cook

STATUS: As Introduced

PREPARED BY: Destin Moss

Description

The bill would establish a process by which health care providers could appeal unresolved grievances against private health care insurers to the Office of Administrative Hearings (OAH).

Estimated Impact

Based on information provided by OAH, we estimate that the bill would have an annual General Fund impact of approximately \$180,000 beginning in FY 2025. The cost could vary significantly, however, depending on the number of OAH cases generated under the bill.

We have requested the Department of Insurance and Financial Institutions' estimated impact of this legislation and are awaiting their response.

Analysis

Currently, statute requires that all health care insurers establish an internal process by which health care providers can attempt to resolve payment disputes and other contractual grievances. This bill would allow a health care provider to request an administrative hearing if the internal process established by the health care insurer doesn't lead to a satisfactory resolution.

OAH estimates the bill would generate approximately 816 new cases annually, which would increase costs by about \$180,000. Their estimate is based on the average hours per case spent on Arizona Health Care Cost Containment System appeals (which we expect to be analogous to this new case type), the billable hourly rate for administrative law judge expenses, and their fixed filing fee. While their estimated expenses per case are clearly defined, the estimated number of cases could greatly differ from actual caseloads. We have not yet been able to evaluate the methodology used to reach OAH's caseload estimate.

Local Government Impact

None

2/8/24

