

# House Research Act Summary

**CHAPTER:** 137

**SESSION:** 2001 Regular Session

**TOPIC:** Utilization Review

**Date:** May 31, 2001

**Analyst:** Elisabeth Loehrke

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: [www.house.mn/hrd](http://www.house.mn/hrd).

---

## Overview

This act modifies provisions governing utilization review, the process health plan companies use to determine whether health care treatments or procedures are medically necessary or appropriate. It requires physicians reviewing utilization review determinations to be licensed in Minnesota, requires physician consultants to be board-certified, requires certain annual reports by utilization review organizations, requires the disclosure of criteria used to perform utilization reviews, and establishes circumstances under which the Board of Medical Practice may discipline physicians performing utilization reviews.

### Section

- 1 **Standard appeal.** Amends § 62M.06, subd. 3. In subdivision governing appeals of utilization review determinations not to certify, requires a physician with the same or a similar specialty as typically manages the medical condition to be reasonably available to review the appeal. (Current law requires such a physician to review the appeal only at the request of the attending health care professional who ordered the health care treatment.)
- 2 **Physician reviewer involvement.** Amends § 62M.09, subd. 3. Requires physicians who review utilization review cases in which a determination has been made not to certify, to be licensed in Minnesota. Exempts health plan companies with less than 3 percent of the market from this requirement.
- 3 **Mental health and substance abuse reviews.** Amends § 62M.09, subd. 3a. Requires a psychiatrist who makes a final determination not to certify mental health and substance abuse treatment to be licensed in Minnesota. Exempts health plan companies with less than 3 percent of the market from the requirements in this subdivision for mental health and substance abuse reviews.
- 4 **Physician consultants.** Amends § 62M.09, subd. 6. Requires physician consultants who

participate in the utilization review appeals process to be board-certified by the American Board of Medical Specialists or the American Board of Osteopathy. (Current law requires such physicians to include physicians who are board-certified, as needed and available, or board eligible and working toward certification.)

- 5 **Annual report.** Adds subd. 9 to § 62M.09. Requires utilization review organizations to annually report to the commissioner of commerce on the number and rate of claims denied per 1,000 claims based on medical necessity for each procedure or service, and the number and rate of denials overturned on appeal.
- 6 **Availability of criteria.** Amends § 62M.10, subd. 7. Requires a utilization review organization to provide, upon request, the commissioner of commerce with the criteria used to determine medical necessity, appropriateness, and efficacy of a procedure or service. (Current law requires this information to be provided to enrollees and providers.)
- 7 **Utilization review.** Adds subd. 1b to § 147.091. Authorizes the Board of Medical Practice to investigate and discipline physicians performing utilization reviews for patterns of failures to exercise the degree of care that a physician reviewer of ordinary prudence making utilization review determinations would exercise. Requires the Board to consult with physicians currently performing utilization reviews as part of its investigation process, and requires internal and external review processes to be exhausted before an allegation under this subdivision is brought. Specifies that this subdivision does not change existing laws regarding tort liability for medical negligence, nor does it preempt state or federal peer review law or laws on complaints and appeals.