

**STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**Bulletin 2023-05-INS**

**In the matter of:**

**Standardized Electronic Prior Authorization  
Transaction Process**

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**Issued and entered  
this 13<sup>th</sup> day of March 2023  
by Anita G. Fox  
Director**

This bulletin identifies the requirements pertaining to the standardized electronic prior authorization transaction process defined in MCL 500.2212e(17)(n).

Public Act 60 of 2022 requires insurers to make available a standardized electronic prior authorization transaction process. MCL 500.2212e(17)(n) defines “standardized electronic prior authorization transaction process” as “a standardized transmission process, identified by the director and aligned with standards that are nationally accepted, to enable prior authorization requests to be accessible, submitted by health care providers, and accepted by insurers or their designee utilization review organizations electronically through secure electronic transmissions with the goal of maximizing administrative simplification, efficiency, and timeliness. The process must allow health care providers to supply clinical information under the standardized electronic prior authorization process. Standard electronic prior authorization transaction process does not include a facsimile.”

The Director will consider an insurer that establishes a process for medical benefits that uses the standards established by the Council for Affordable Quality Health Care (CAQH) on operating rules for information exchange (the CAQH CORE Operating Rules) to satisfy the requirement to have a standardized electronic prior authorization transaction process pursuant to MCL 500.2212e. For prescription drug benefits, a process that uses national standards established by the National Council for Prescription Drug Programs (NCPDP) will be considered as satisfying the requirement to have a standardized electronic prior authorization transaction process pursuant to MCL 500.2212e.

To determine whether an insurer’s process complies with these standards, the Director will require all insurers that deliver, issue for delivery, renew, or administer a health benefit plan subject to MCL 500.2212e to submit the following information via SERFF. Individual and small group insurers participating in the Affordable Care Act (ACA) Exchange must include the information in their ACA filing. All other insurers subject to MCL 500.2212e must demonstrate compliance in a SERFF filing under filing type “Prior Authorization Std Electronic Request Process” submitted no later than May 1, 2023.

- The names of the products and/or plans to which the information applies. If the information to be submitted to the Department varies whatsoever with respect to different products or plans offered by the insurer, the insurer must submit a separate filing for each variation.

- A detailed description of the insurer's electronic prior authorization process, including a complete description of how the process complies with MCL 500.2212e.
- An attestation that the process will be fully operational no later than June 1, 2023.
- A detailed description of an alternative process to be used by a health professional who is not able to use the standardized process due to a temporary technological or electrical failure.
- The URL for the process.
- The URL where the insurer will post the current prior authorization requirements and restrictions, including written clinical review criteria.
- The URL where the insurer will post in a readily accessible format a list of all benefits that are subject to a prior authorization under the health benefit plan.
- An attestation that the insurer understands its obligations to notify contracted health care providers of new or amended prior authorization requirements or restrictions pursuant to MCL 500.2212e(3).

Any questions regarding this Bulletin should be directed to:

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/s/

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