Wisconsin Department of Administration
Division of Executive Budget and Finance

Fiscal Estimate - 2025 Session

☒ Original ☐ Updated ☐ Corrected ☐ Supplemental

LRB Number **25-4515/1**	Introduction Number **SB-0434**

Description
transparency and regulation of prior authorization requirements under health insurance plans

Fiscal Effect

State:

☐ No State Fiscal Effect
☒ Indeterminate
- ☐ Increase Existing Appropriations
- ☐ Decrease Existing Appropriations
- ☐ Create New Appropriations
- ☐ Increase Existing Revenues
- ☐ Decrease Existing Revenues
- ☐ Increase Costs - May be possible to absorb within agency's budget ☐ Yes ☐ No
- ☐ Decrease Costs

Local:

☐ No Local Government Costs
☐ Indeterminate

1. ☐ Increase Costs ☐ Permissive ☐ Mandatory
2. ☐ Decrease Costs ☐ Permissive ☐ Mandatory
3. ☐ Increase Revenue ☐ Permissive ☐ Mandatory
4. ☐ Decrease Revenue ☐ Permissive ☐ Mandatory
5. Types of Local Government Units Affected
   - ☐ Towns ☐ Village ☐ Cities
   - ☐ Counties ☐ Others
   - ☐ School Districts ☐ WTCS Districts

Fund Sources Affected **Affected Ch. 20 Appropriations**

☐ GPR ☐ FED ☐ PRO ☐ PRS ☒ SEG ☐ SEGS

Agency/Prepared By	Authorized Signature	Date
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Fiscal Estimate Narratives

ETF 10/6/2025

LRB Number **25-4515/1**	Introduction Number **SB-0434**	Estimate Type **Original**
Description transparency and regulation of prior authorization requirements under health insurance plans		

Assumptions Used in Arriving at Fiscal Estimate

This bill establishes the following prior authorization requirements for health care services under health insurance plans.

• Requires that all adverse determinations be made by qualified health care providers, such as physicians or advanced practice registered nurses, under the clinical direction of medical directors.

• Mandates that utilization review entities must render decisions on authorizations or adverse determinations within specified timeframes— 72 hours for non-urgent services and 24 hours for urgent services. Additionally, authorizations must remain valid for at least one year and treatment plans for chronic conditions must remain valid for the duration of the treatment.

• Stipulates that if an enrollee switches to a new health insurance plan, the new entity must honor prior authorizations from the previous plan for at least 90 days.

• Prohibits denial of payment for services that have received prior authorization unless there is evidence of misrepresentation by the health care provider or ineligibility of the enrollee at the time of service.

The individual health insurance plans manage prior authorization requirements. Due to this, ETF is unable to quantify the costs. The fiscal impact on the Group Health Insurance Program is indeterminate.

Long-Range Fiscal Implications