



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.

Bill Number:	H. 4562	Introduced on May 8, 2025
Subject:	Healthcare Services	
Requestor:	House Labor, Commerce, and Industry	
RFA Analyst(s):	Welsh and Boggs	
Impact Date:	January 23, 2026	

Fiscal Impact Summary

This bill enacts the Patients' Right to Transparency and Timely Access to Healthcare Services Act to regulate prior authorization, step therapy for prescription drugs, and utilization review practices for health insurance plans. This bill prohibits health benefit plans from requiring prior authorization for certain preventive services, outpatient mental health and substance use disorder treatment, and pain medication for terminally ill patients. This bill also exempts providers from having to obtain prior authorization for specific services for twelve months if at least 80 percent of their requests are approved. Additionally, this bill requires prior authorization processes to be transparent, evidence-based, and clinically appropriate with notice and appeal rights. Further, this bill limits insurers' ability to impose repeat authorizations for chronic conditions, change prescription drug coverage or cost-sharing during a policy year, and retroactively deny claims once authorization is granted. This bill sets guidelines and exceptions for step therapy for prescription drugs including requirements for the process of establishing a step therapy protocol, exemptions, and overrides. The bill also requires continuity of care when patients change insurance carriers or plans, mandates annual public reporting on prior authorization and step therapy decisions, and directs the Department of Insurance (DOI) to enforce the provisions.

This bill will have no fiscal impact on DOI. DOI anticipates any additional duties required by this bill, including required annual certifications and reports, can be managed within the normal course of business.

The expenditure impact of this bill on the Department of Health and Human Services (DHHS) is pending, contingent upon a response from the agency.

The fiscal impact of this bill on Public Employee Benefit Authority (PEBA) is pending, as the agency is continuing to analyze the impact of the bill.

Explanation of Fiscal Impact

Introduced on May 8, 2025

State Expenditure

This bill enacts the Patients' Right to Transparency and Timely Access to Healthcare Services Act to regulate prior authorization, step therapy for prescriptions drugs, and utilization review practices for health insurance plans. This bill prohibits health benefit plans from requiring prior

authorization for certain preventive services, outpatient mental health and substance use disorder treatment, and pain medication for terminally ill patients. This bill also exempts providers from having to obtain prior authorization for twelve months for specific services if at least 80 percent of their requests are approved. Additionally, this bill requires prior authorization processes to be transparent, evidence-based, and clinically appropriate with notice and appeal rights. Further, this bill limits insurers' ability to impose repeat authorizations for chronic conditions, change prescription drug coverage or cost-sharing during a policy year, and retroactively deny claims once authorization is granted. This bill sets guidelines and exceptions for step therapy for prescription drugs including requirements for the process of establishing a step therapy protocol, exemptions, and overrides. The bill also requires continuity of care when patients change insurance carriers or plans, mandates annual public reporting on prior authorization and step therapy decisions. DOI is directed to enforce these provisions and promulgate regulations related to the bill's requirements on or before January 1, 2028.

Department of Insurance. This bill will have no fiscal impact on DOI. DOI anticipates any additional duties required by this bill, including required annual certifications and reports, can be managed within the normal course of business.

Health and Human Services. The expenditure impact of this bill on DHHS is pending, contingent upon a response from the agency.

Public Employee Benefit Authority. The fiscal impact of this bill on PEBA is pending, as the agency is continuing to analyze the impact of the bill.

State Revenue

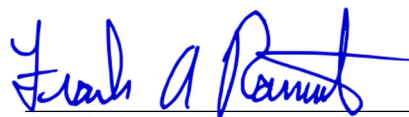
N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director