

By: Frank

H.B. No. 4051

Substitute the following for H.B. No. 4051:

By: Oliverson

C.S.H.B. No. 4051

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the method of payment for certain health care and
3 certain contract provisions affecting health care reimbursement
4 rates.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

6 SECTION 1. Chapter 1204, Insurance Code, is amended by
7 adding Subchapter G to read as follows:

8 SUBCHAPTER G. DIRECT PAYMENT OF PHYSICIAN OR HEALTH CARE PROVIDER

9 Sec. 1204.301. DEFINITIONS. In this subchapter:

10 (1) "Enrollee" means an individual who is enrolled in
11 a health care plan or entitled to coverage under a health benefit
12 plan.

13 (2) "Health benefit plan" means an individual, group,
14 blanket, or franchise insurance policy, a group hospital service
15 contract, or a group subscriber contract or evidence of coverage
16 issued by a health maintenance organization, that provides benefits
17 for health care services.

18 (3) "Health care provider" means a person who provides
19 health care services under a license, certificate, registration, or
20 other similar evidence of regulation issued by this or another
21 state of the United States.

22 (4) "Health care service" means a service to diagnose,
23 prevent, alleviate, cure, or heal a human illness or injury that is
24 provided to a covered person by a physician or other health care

1 provider.

2 (5) "Physician" means an individual licensed to
3 practice medicine in this or another state of the United States.

4 Sec. 1204.302. APPLICABILITY TO CERTAIN PLANS. In addition
5 to the health benefit plans described by Section 1204.301,
6 notwithstanding any other law, this subchapter applies to:

7 (1) a basic coverage plan under Chapter 1551;

8 (2) a basic plan under Chapter 1575;

9 (3) a primary care coverage plan under Chapter 1579;

10 and

11 (4) a plan providing basic coverage under Chapter
12 1601.

13 Sec. 1204.303. PAYMENT IN LIEU OF CLAIM FOR BENEFITS; OTHER
14 DIRECT PAYMENTS. (a) A physician or health care provider may not
15 be prohibited from accepting directly from an enrollee full payment
16 for a health care service in lieu of submitting a claim to the
17 enrollee's health benefit plan.

18 (b) Notwithstanding Section 552.003 or any other law, the
19 charge for a health care service for which a physician or health
20 care provider accepts a payment as described by Subsection (a) or
21 from a patient without a health benefit plan may not exceed the
22 lowest contract rate for the health care service allowable under
23 any health benefit plan with respect to which the physician or
24 health care provider is a contracted, preferred, or participating
25 provider.

26 SECTION 2. Section 1458.001, Insurance Code, is amended by
27 adding Subdivision (5-a) to read as follows:

1 (5-a) "Most favored nation clause" means a provision
2 in a provider network contract that:

3 (A) prohibits or grants an option to prohibit:

4 (i) a provider from contracting with
5 another contracting entity to provide health care services at a
6 lower rate; or

7 (ii) a contracting entity from contracting
8 with another provider to provide health care services at a higher
9 rate;

10 (B) requires or grants an option to require:

11 (i) a provider to accept a lower rate for
12 health care services if the provider agrees with another
13 contracting entity to accept a lower rate for the services; or

14 (ii) a contracting entity to pay a higher
15 rate for health care services if the entity agrees with another
16 provider to pay a higher rate for the services;

17 (C) requires or grants an option to require
18 termination or renegotiation of an existing provider network
19 contract if:

20 (i) a provider agrees with another
21 contracting entity to accept a lower rate for providing health care
22 services; or

23 (ii) a contracting entity agrees with a
24 provider to pay a higher rate for health care services; or

25 (D) requires:

26 (i) a provider to disclose the provider's
27 contractual reimbursement rates with other contracting entities;

1 or

2 (ii) a contracting entity to disclose the
3 contracting entity's contractual reimbursement rates with other
4 providers.

5 SECTION 3. Section 1458.101, Insurance Code, is amended by
6 adding Subsection (g) to read as follows:

7 (g) A contracting entity may not:

8 (1) offer to a provider a provider network contract
9 that includes a most favored nation clause;

10 (2) enter into a provider network contract that
11 includes a most favored nation clause; or

12 (3) amend or renew an existing provider network
13 contract previously entered into with a provider so that the
14 contract as amended or renewed adds or retains a most favored nation
15 clause.

16 SECTION 4. This Act takes effect September 1, 2021.