

By: Bonnen

H.B. No. 4893

A BILL TO BE ENTITLED

AN ACT

relating to unconditional designation of hospitals as participating providers in a managed care plan.

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

SECTION 1. Subtitle F, Title 8, Insurance Code, is amended by adding Chapter 1462 to read as follows:

CHAPTER 1462. UNCONDITIONAL DESIGNATION AS PREFERRED PROVIDER

Sec. 1462.001. DEFINITIONS. In this chapter:

(1) "Hospital" means a licensed public or private institution as defined by Chapter 241, Health and Safety Code, or Subtitle C, Title 7, Health and Safety Code.

(2) "Managed care plan" means a health benefit plan under which health care services are provided to enrollees through contracts with hospitals and that requires enrollees to use participating hospitals or that provides a different level of coverage for enrollees who use participating hospitals. The term includes a health benefit plan issued by:

(A) a health maintenance organization;

(B) a preferred provider benefit plan issuer; or

(C) any other entity that issues a health benefit plan, including an insurance company.

(3) "Participating hospital" means a hospital that has directly or indirectly contracted with a health benefit plan issuer to provide services to enrollees.

Sec. 1462.002. APPLICABILITY OF CHAPTER. (a)

Notwithstanding any other law, this chapter applies to:

- (1) a basic coverage plan under Chapter 1551;
 - (2) a basic plan under Chapter 1575;
 - (3) a primary care coverage plan under Chapter 1579;
- and
- (4) basic coverage under Chapter 1601.

(b) Notwithstanding any other law, this chapter applies to coverage under:

- (1) the child health plan program under Chapter 62, Health and Safety Code; and
- (2) a Medicaid managed care program operated under Chapter 533, Government Code.

Sec. 1462.003. UNCONDITIONAL DESIGNATION AS PARTICIPATING HOSPITAL. Notwithstanding any other law, any hospital may apply for a designation as a participating provider in a managed care plan, and the managed care plan issuer or administrator shall designate the hospital as a participating hospital in the plan.

Sec. 1462.004. REQUIRED REIMBURSEMENT RATE. A managed care plan shall reimburse a participating physician designated under Section 1462.003 at a rate 90% of the highest contracted rate for the same service

SECTION 2. If before implementing any provision of this Act a state agency determines that a waiver or authorization from a federal agency is necessary for implementation of that provision, the agency affected by the provision shall request the waiver or authorization and may delay implementing that provision until the

1 waiver or authorization is granted.

2 SECTION 3. Chapter 1462, Insurance Code, as added by this
3 Act, applies only to a health benefit plan delivered, issued for
4 delivery, or renewed on or after January 1, 2024.

5 SECTION 4. This Act takes effect September 1, 2023.