

By: Schwertner

S.B. No. 1135

A BILL TO BE ENTITLED

AN ACT

1
2 relating to certain health care services contract arrangements
3 entered into by insurers or employee benefit plans and health care
4 providers.

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

6 SECTION 1. Section 101.055(a), Insurance Code, is amended
7 to read as follows:

8 (a) Section 101.051(b)(7) does not apply to:

9 (1) a program otherwise authorized by law that is
10 established:

11 (A) by a political subdivision of this state;

12 (B) by a state agency; or

13 (C) under Chapter 791, Government Code; ~~or~~

14 (2) a multiple employer welfare arrangement that is
15 fully insured as defined by 29 U.S.C. Section 1144(b)(6); or

16 (3) a self-funded employee welfare benefit plan that
17 enters into a value-based risk sharing contract arrangement with a
18 health care provider or group of health care providers.

19 SECTION 2. Subchapter A, Chapter 1301, Insurance Code, is
20 amended by adding Section 1301.0065 to read as follows:

21 Sec. 1301.0065. COMPENSATION OF PHYSICIANS OR PROVIDERS
22 UNDER HEALTH CARE SERVICES ARRANGEMENTS. (a) A preferred provider
23 benefit plan may provide or arrange for health care services with a
24 physician or health care provider through a contract or subcontract

1 for compensation under:

2 (1) a fee-for-service arrangement;

3 (2) a risk-sharing arrangement; or

4 (3) a capitation arrangement under which a fixed
5 predetermined payment is made in exchange for the provision of, or
6 for the arrangement to provide and the guaranty of the provision of,
7 a defined set of covered services to covered persons for a specified
8 period without regard to the quantity of services actually
9 provided.

10 (b) A physician or health care provider that enters into a
11 contract or subcontract described by Subsection (a) is not
12 considered to be engaging in the business of insurance.

13 SECTION 3. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2023.