

1-1 By: Schwertner S.B. No. 1286
1-2 (In the Senate - Filed February 28, 2023; March 9, 2023,
1-3 read first time and referred to Committee on Health & Human
1-4 Services; April 6, 2023, reported favorably by the following vote:
1-5 Yeas 9, Nays 0; April 6, 2023, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	Kolkhorst	X		
1-9	Perry	X		
1-10	Blanco	X		
1-11	Hall	X		
1-12	Hancock	X		
1-13	Hughes	X		
1-14	LaMantia	X		
1-15	Miles	X		
1-16	Sparks	X		

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to prompt payment deadlines for health benefit plan
1-20 claims affected by a catastrophic event.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. Section 843.337, Insurance Code, is amended by
1-23 amending Subsections (b) and (c) and adding Subsection (c-1) to
1-24 read as follows:

1-25 (b) If a physician or provider fails to submit a claim in
1-26 compliance with this section, the physician or provider forfeits
1-27 the right to payment [~~unless the failure to submit the claim in
1-28 compliance with this section is a result of a catastrophic event
1-29 that substantially interferes with the normal business operations
1-30 of the physician or provider~~].

1-31 (c) The period for submitting a claim under this section may
1-32 be extended by:

1-33 (1) contract;

1-34 (2) notice published by the commissioner allowing an
1-35 extension of prompt payment deadlines to a later date chosen by the
1-36 commissioner due to a catastrophic event; or

1-37 (3) the department's approval of a physician's or
1-38 provider's request for an extension due to a catastrophic event
1-39 that substantially interferes with the normal business operations
1-40 of the physician or provider.

1-41 (c-1) The commissioner may adopt rules to implement
1-42 Subsection (c), including rules establishing requirements for a
1-43 request made under Subsection (c)(3).

1-44 SECTION 2. Section 843.342(h), Insurance Code, is amended
1-45 to read as follows:

1-46 (h) A health maintenance organization is not liable for a
1-47 penalty under this section:

1-48 (1) if the failure to pay the claim in accordance with
1-49 this subchapter is a result of a catastrophic event and:

1-50 (A) the commissioner published a notice allowing
1-51 an extension of the applicable prompt payment deadlines due to the
1-52 catastrophic event; or

1-53 (B) the department approved the health
1-54 maintenance organization's request for an extension due to the
1-55 substantial interference of the catastrophic event [~~that~~
1-56 substantially interferes] with the normal business operations of
1-57 the health maintenance organization; or

1-58 (2) if the claim was paid in accordance with this
1-59 subchapter, but for less than the contracted rate, and:

1-60 (A) the physician or provider notifies the health
1-61 maintenance organization of the underpayment after the 270th day

2-1 after the date the underpayment was received; and
2-2 (B) the health maintenance organization pays the
2-3 balance of the claim on or before the 30th day after the date the
2-4 health maintenance organization receives the notice.

2-5 SECTION 3. Section 1301.102, Insurance Code, is amended by
2-6 amending Subsections (d) and (e) and adding Subsection (e-1) to
2-7 read as follows:

2-8 (d) If a physician or health care provider fails to submit a
2-9 claim in compliance with this section, the physician or provider
2-10 forfeits the right to payment [~~unless the failure to submit the~~
2-11 ~~claim in compliance with this section is a result of a catastrophic~~
2-12 ~~event that substantially interferes with the normal business~~
2-13 ~~operations of the physician or provider].~~

2-14 (e) The period for submitting a claim under this section may
2-15 be extended by:

2-16 (1) contract;
2-17 (2) notice published by the commissioner allowing an
2-18 extension of prompt payment deadlines to a later date chosen by the
2-19 commissioner due to a catastrophic event; or

2-20 (3) the department's approval of a physician's or
2-21 health care provider's request for an extension due to a
2-22 catastrophic event that substantially interferes with the normal
2-23 business operations of the physician or provider.

2-24 (e-1) The commissioner may adopt rules to implement
2-25 Subsection (e), including rules establishing requirements for a
2-26 request made under Subsection (e)(3).

2-27 SECTION 4. Section 1301.137(h), Insurance Code, is amended
2-28 to read as follows:

2-29 (h) An insurer is not liable for a penalty under this
2-30 section:

2-31 (1) if the failure to pay the claim in accordance with
2-32 Subchapter C is a result of a catastrophic event and:

2-33 (A) the commissioner published a notice allowing
2-34 an extension of the applicable prompt payment deadlines due to the
2-35 catastrophic event; or

2-36 (B) the department approved the insurer's
2-37 request for an extension due to the substantial interference of the
2-38 catastrophic event [~~that substantially interferes~~] with the normal
2-39 business operations of the insurer; or

2-40 (2) if the claim was paid in accordance with
2-41 Subchapter C, but for less than the contracted rate, and:

2-42 (A) the preferred provider notifies the insurer
2-43 of the underpayment after the 270th day after the date the
2-44 underpayment was received; and

2-45 (B) the insurer pays the balance of the claim on
2-46 or before the 30th day after the date the insurer receives the
2-47 notice.

2-48 SECTION 5. The changes in law made by this Act apply only to
2-49 a claim submitted on or after the effective date of this Act. A
2-50 claim submitted before the effective date of this Act is governed by
2-51 the law as it existed immediately before the effective date of this
2-52 Act, and that law is continued in effect for that purpose.

2-53 SECTION 6. This Act takes effect September 1, 2023.

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