By: Perry S.B. No. 1342

A BILL TO BE ENTITLED

AN ACT

relating to requirements applicable to certain third-party health insurers in relation to Medicaid.

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

SECTION 1. Section 531.024131(a), Government Code, is amended to read as follows:

(a) If cost-effective, the commission may:

(1) contract to expand all or part of the billing coordination system established under Section 531.02413 to process claims for services provided through other benefits programs administered by the commission or a health and human services agency;

(2) expand any other billing coordination tools and resources used to process claims for health care services provided through Medicaid to process claims for services provided through other benefits programs administered by the commission or a health and human services agency; and

(3) expand the scope of persons about whom information is collected under Section 32.0424(a) [~~32.042~~], Human Resources Code, to include recipients of services provided through other benefits programs administered by the commission or a health and human services agency.

SECTION 2. Section 32.0421(a), Human Resources Code, is amended to read as follows:

(a) The commission may impose an administrative penalty on a person who does not comply with a request for information made under Section 32.0424(a) [~~32.042(b)~~].

SECTION 3. Section 32.0424, Human Resources Code, is amended by amending Subsections (a), (c), and (d) and adding Subsections (b-1) and (f) to read as follows:

(a) A third-party health insurer shall [~~is required to~~] provide to the commission or the commission's designee, on the commission's or the commission's designee's request, information in a form prescribed by the executive commissioner necessary to determine:

(1) the period during which an individual entitled to medical assistance, the individual's spouse, or the individual's dependents may be, or may have been, covered by coverage issued by the health insurer;

(2) the nature of the coverage; and

(3) the name, address, and identifying number of the health plan under which the person may be, or may have been, covered.

(b-1) A third-party health insurer, other than a program established under Title XVIII of the Social Security Act (42 U.S.C. Section 1395 et seq.), that requires prior authorization for an item or service provided to an individual entitled to medical assistance shall accept a prior authorization approved by the commission or the commission's designee for the item or service as if the prior authorization was made by the third-party health insurer for the item or service.

(c) Not later than the 60th day after the date a [~~A~~] third-party health insurer receives an [~~shall respond to any~~] inquiry from [~~by~~] the commission or the commission's designee regarding a claim for payment for any health care item or service reimbursed by the commission or the commission's designee under the medical assistance program, the insurer shall respond to the inquiry, provided the claim for payment that is the subject of the inquiry was submitted by the commission or the commission's designee not later than the third anniversary of the date the health care item or service was provided.

(d) A third-party health insurer may not deny a claim submitted by the commission or the commission's designee for which payment was made under the medical assistance program solely on the basis of the date of submission of the claim, the type or format of the claim form, [~~or~~] a failure to present proper documentation at the point of service that is the basis of the claim, or, for a third-party insurer other than a program established under Title XVIII of the Social Security Act (42 U.S.C. Section 1395 et seq.), a failure to obtain prior authorization for the item or service for which the claim is being submitted, if:

(1) the claim is submitted by the commission or the commission's designee not later than the third anniversary of the date the item or service was provided; and

(2) any action by the commission or the commission's designee to enforce the state's rights with respect to the claim is commenced not later than the sixth anniversary of the date the commission or the commission's designee submits the claim.

(f) In this section, "third-party health insurer" includes:

(1) a self-insured plan established by an employer for the benefit of the employer's employees in accordance with the Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.);

(2) a group health plan as defined by Section 607 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1167);

(3) a service benefit plan;

(4) a managed care organization;

(5) a pharmacy benefit manager; and

(6) any other entity that is legally responsible to pay a claim for a health care item or service by law or under contract.

SECTION 4. The following provisions of the Human Resources Code are repealed:

(1) Section 32.042; and

(2) Section 32.0424(e).

SECTION 5. 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 waiver or authorization is granted.

SECTION 6. This Act takes effect September 1, 2023.