

Amend the Davis amendment on p. 151 to read as follows:

Amend **CSHB 4** by adding the following appropriately numbered ARTICLES and renumbering existing ARTICLES and SECTIONS of the bill appropriately:

ARTICLE \_\_\_\_\_. PROMPT PAYMENT OF PHYSICIANS AND HEALTH CARE  
PROVIDERS

SECTION \_\_\_\_\_.01. Sections 3A(c) and (e), Article 3.70-3C, Insurance Code, as added by Chapter 1024, Acts of the 75th Legislature, Regular Session, 1997, are amended to read as follows:

(c) Not later than the 30th [~~45th~~] day after the date that the insurer receives a clean claim from a preferred provider, the insurer shall:

(1) pay the total amount of the claim in accordance with the contract between the preferred provider and the insurer;

(2) pay the portion of the claim that is not in dispute and notify the preferred provider in writing why the remaining portion of the claim will not be paid; or

(3) notify the preferred provider in writing why the claim will not be paid.

(e) If the insurer acknowledges coverage of an insured under the health insurance policy but intends to audit the preferred provider claim, the insurer shall pay the charges submitted at 85 percent of the contracted rate on the claim not later than the 30th [~~45th~~] day after the date that the insurer receives the claim from the preferred provider. Following completion of the audit, any additional payment due a preferred provider or any refund due the insurer shall be made not later than the 30th day after the later of the date that:

(1) the preferred provider receives notice of the audit results; or

(2) any appeal rights of the insured are exhausted.

SECTION \_\_\_\_\_.02. Sections 843.338, 843.340, and 843.346, Insurance Code, as effective June 1, 2003, are amended to read as follows:

Sec. 843.338. DEADLINE FOR ACTION ON CLEAN CLAIMS. Not later than the 30th [~~45th~~] day after the date on which a health maintenance organization receives a clean claim from a physician or

provider, the health maintenance organization shall:

(1) pay the total amount of the claim in accordance with the contract between the physician or provider and the health maintenance organization;

(2) pay the portion of the claim that is not in dispute and notify the physician or provider in writing why the remaining portion of the claim will not be paid; or

(3) notify the physician or provider in writing why the claim will not be paid.

Sec. 843.340. AUDITED CLAIMS. A health maintenance organization that acknowledges coverage of an enrollee under a health care plan but intends to audit a claim submitted by a physician or provider shall pay the charges submitted at 85 percent of the contracted rate on the claim not later than the 30th [~~45th~~] day after the date on which the health maintenance organization receives the claim from a physician or provider. Following completion of the audit, any additional payment due a physician or provider or any refund due the health maintenance organization shall be made not later than the 30th day after the later of the date that:

(1) the physician or provider receives notice of the audit results; or

(2) any appeal rights of the enrollee are exhausted.

Sec. 843.346. PAYMENT OF CLAIMS. Subject to Sections 843.336-843.345, a health maintenance organization shall pay a physician or provider for health care services and benefits provided to an enrollee under the evidence of coverage and to which the enrollee is entitled under the terms of the evidence of coverage not later than:

(1) the 30th [~~45th~~] day after the date on which a claim for payment is received with the documentation reasonably necessary to process the claim; or

(2) if applicable, within the number of calendar days specified by written agreement between the physician or provider and the health maintenance organization.

SECTION \_\_\_\_ .03. This article applies only to a claim for payment made under a benefit plan or evidence of coverage

delivered, issued for delivery, or renewed on or after September 1, 2003. A benefit plan or evidence of coverage delivered, issued for delivery, or renewed before September 1, 2003, is governed by the law in effect immediately before that date and that law is continued in effect for this purpose.