

Amend CSSB 14 by adding the following new ARTICLE, appropriately numbered, and renumbering ARTICLES and SECTIONS of the bill accordingly:

ARTICLE _____. INDEPENDENT REVIEW ORGANIZATIONS

SECTION _____. Section 11, Article 21.58A, Insurance Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) When a retrospective review of the medical necessity and appropriateness of health care service is made under a health insurance policy or plan:

(1) such retrospective review shall be based on written screening criteria established and periodically updated with appropriate involvement from physicians, including practicing physicians, and other health care providers; ~~and~~

(2) the payor's system for such retrospective review of medical necessity and appropriateness shall be under the direction of a physician;

(3) the retrospective review must comply with the confidentiality provisions of Section 8 of this article in the same manner as if the person conducting the retrospective review was a utilization review agent; and

(4) the payor shall notify the enrollee or a person acting on behalf of the enrollee and the enrollee's provider of record of any adverse determination and shall notify the appealing party of the right to seek review of the adverse determination by an independent review organization under this section.

(c) A person conducting a retrospective review of the medical necessity and appropriateness of health care service under this section shall:

(1) permit any party whose appeal of an adverse determination is denied by the person to seek review of that determination by an independent review organization assigned to the appeal in accordance with Article 21.58C of this code;

(2) provide to the appropriate independent review organization not later than the third business day after the date that the person conducting the review receives a request for review a copy of:

(A) any medical records of the enrollee that are relevant to the review;

(B) any documents used by the plan in making the determination to be reviewed by the organization;

(C) a copy of a response letter issued to the enrollee or a person acting on behalf of the enrollee, and the enrollee's physician or health care provider, explaining the resolution of the appeal;

(D) any documentation and written information submitted to the person conducting the review in support of the appeal; and

(E) a list of each physician or health care provider who has provided care to the enrollee and who may have medical records relevant to the appeal;

(3) comply with the independent review organization's determination with respect to the medical necessity or appropriateness of health care items and services for an enrollee; and

(4) pay for the independent review.

SECTION _____. Section 2(c), Article 21.58C, Insurance Code, is amended to read as follows:

(c) The standards adopted under Subsection (a)(1) of this section must include standards that require each independent review organization to make its determination:

(1) not later than the earlier of:

(A) the 15th day after the date the independent review organization receives the information necessary to make the determination; or

(B) the 20th day after the date the independent review organization receives the request that the determination be made; ~~and~~

(2) in the case of a life-threatening condition, not later than the earlier of:

(A) the fifth day after the date the independent review organization receives the information necessary to make the determination; or

(B) the eighth day after the date the independent

review organization receives the request that the determination be made; and

(3) in the case of a retrospective review of health care services that have been provided, not later than the earlier of:

(A) the 25th day after the date the independent review organization receives the information necessary to make the determination; or

(B) the 30th day after the date the independent review organization receives the request that the determination be made.

SECTION _____. The change in law made by this article to Articles 21.58A and 21.58C, Insurance Code, applies only to a retrospective review or independent review under those articles, as applicable, that begins on or after January 1, 2004. A retrospective review or independent review that begins before January 1, 2004, is governed by the law as it existed immediately before the effective date of this Act and that law is continued in effect for this purpose.