

BILL ANALYSIS

S.B. 752
By: Harris
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Current state law authorizes competing physicians within the service area of a health benefit plan to jointly negotiate certain terms and conditions of contracts with the health benefit plan. Joint negotiations between physicians and health plans are necessary in those instances in which the health plans dominate the market to the extent that fair negotiations between the plan and physicians are unobtainable. However, to date, few physicians have entered into joint negotiations under these provisions. Some members of the medical community believe that joint negotiations would be more fully utilized if given more time to develop. S.B. 752 extends the expiration date of provisions relating to joint negotiations by physicians with health benefits.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

Senate Bill 752 amends the Insurance Code by extending the expiration date of provisions relating to joint negotiations by physicians with health benefit plans from September 1, 2003 to September 1, 2007.

EFFECTIVE DATE

On passage or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2003.