By: Davis of Dallas H.B. No. 2235

A BILL TO BE ENTITLED

AN ACT

relating to operations of physicians and other health care providers.

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

ARTICLE 1. PROMPT PAYMENT OF PHYSICIANS AND HEALTH CARE PROVIDERS

SECTION 1.01. 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 1.02. 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 1.03. 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 the effective date of this Act. A benefit plan or evidence of coverage delivered, issued for delivery, or renewed before the effective date of this Act is governed by the law in effect immediately before that date and that law is continued in effect for this purpose.

ARTICLE 2. PROFESSIONAL LIABILITY INSURANCE

SECTION 2.01. (a) Except as provided by Subsection (b) of this section, this section applies only to an insurer writing professional liability insurance for physicians and health care providers in this state on the effective date of this Act or a person classified as an affiliate of one of those insurers under Section 823.003, Insurance Code.

(b) A person that is classified as an affiliate of an insurer under Section 823.003, Insurance Code, and that begins writing professional liability insurance for physicians and health care providers on or after the effective date of this Act, may not charge an amount for professional liability insurance for physicians and health care providers issued or renewed in this state that exceeds the amount that the company described by Subsection (a) of this section with which the person is affiliated may charge for the insurance under this section.

(c) An insurer may not charge an insured an amount for professional liability insurance for physicians and health care providers issued or renewed on or after the effective date of this Act that exceeds 85 percent of the amount the insurer charged that insured for the same coverage immediately before that date or, if the insurer did not insure that insured immediately before that date, the amount that the insurer would have charged the insured at that time.

ARTICLE 3. MEDICAID REIMBURSEMENT RATES

SECTION 3.01. In this article, "commission" means the Health And Human Services Commission.

SECTION 3.02. In adopting reasonable rules and standards governing the determination of fees, charges, and rates for medical assistance payments under Chapter 32, Human Resources Code, in accordance with Section 531.021, Government Code, and other law, the commission shall ensure that the fee, charge, or rate for services provided by a physician or other health care provider through the medical assistance program is at least 110 percent of the applicable rate on January 1, 2003.

SECTION 3.03. This article applies only to fees, charges, and rates for medical assistance payments under Chapter 32, Human Resources Code, for services provided on or after the effective date of this Act.

ARTICLE 4. EFFECTIVE DATE

SECTION 4.01. This Act takes effect September 1, 2003.