

AN ACT

relating to appeals of adverse determinations made by health maintenance organizations.

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

SECTION 1. Subchapter G, Chapter 843, Insurance Code, as effective June 1, 2003, is amended by adding Section 843.262 to read as follows:

Sec. 843.262. CERTAIN DECISIONS BINDING. (a) If an enrollee, a person acting on behalf of an enrollee, or an enrollee's provider of record appeals an adverse determination as provided under Section 843.261 and the health maintenance organization or utilization review agent, as applicable, resolves the claim in favor of the enrollee, the decision is binding on the health maintenance organization.

(b) After a binding decision in favor of an enrollee relating to a proposed health care service, the health maintenance organization shall provide or arrange for the health care service within a time frame that is appropriate for the treatment of the medical condition that was the subject of the appeal.

(c) After a binding decision in favor of an enrollee relating to a health care service already provided, the health maintenance organization shall pay the cost of the service, if not already paid by the health maintenance organization, not later than the 45th day after the date the health maintenance organization

1 receives notice of the binding decision. A health maintenance
2 organization that fails to pay the cost of service as required by
3 this subsection is subject to penalties provided under Section
4 843.342.

5 (d) This section applies only to a health care plan of a
6 political subdivision that is exempt from application of the
7 Employee Retirement Income Security Act of 1974 (29 U.S.C. Section
8 1001 et seq.).

9 SECTION 2. This Act takes effect September 1, 2003, and
10 applies only to an adverse determination under an evidence of
11 coverage that is delivered, issued for delivery, or renewed on or
12 after January 1, 2004. An adverse determination under an evidence
13 of coverage that is delivered, issued for delivery, or renewed
14 before January 1, 2004, is governed by the law as it existed
15 immediately before the effective date of this Act, and that law is
16 continued in effect for that purpose.

S.B. No. 879

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 879 passed the Senate on May 15, 2003, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 879 passed the House on May 28, 2003, by a non-record vote.

Chief Clerk of the House

Approved:

Date

Governor