

1-1 By: Whitmire S.B. No. 879
1-2 (In the Senate - Filed March 5, 2003; March 11, 2003, read
1-3 first time and referred to Committee on State Affairs;
1-4 May 12, 2003, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 5, Nays 0; May 12, 2003,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 879 By: Ellis

1-8 A BILL TO BE ENTITLED
1-9 AN ACT

1-10 relating to appeals of adverse determinations made by health
1-11 maintenance organizations.

1-12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-13 SECTION 1. Subchapter G, Chapter 843, Insurance Code, as
1-14 effective June 1, 2003, is amended by adding Section 843.262 to read
1-15 as follows:

1-16 Sec. 843.262. CERTAIN DECISIONS BINDING. (a) If an
1-17 enrollee, a person acting on behalf of an enrollee, or an enrollee's
1-18 provider of record appeals an adverse determination as provided
1-19 under Section 843.261 and the health maintenance organization or
1-20 utilization review agent, as applicable, resolves the claim in
1-21 favor of the enrollee, the decision is binding on the health
1-22 maintenance organization.

1-23 (b) After a binding decision in favor of an enrollee
1-24 relating to a proposed health care service, the health maintenance
1-25 organization shall provide or arrange for the health care service
1-26 within a time frame that is appropriate for the treatment of the
1-27 medical condition that was the subject of the appeal.

1-28 (c) After a binding decision in favor of an enrollee
1-29 relating to a health care service already provided, the health
1-30 maintenance organization shall pay the cost of the service, if not
1-31 already paid by the health maintenance organization, not later than
1-32 the 45th day after the date the health maintenance organization
1-33 receives notice of the binding decision. A health maintenance
1-34 organization that fails to pay the cost of service as required by
1-35 this subsection is subject to penalties provided under Section
1-36 843.342.

1-37 (d) This section applies only to a health care plan of a
1-38 political subdivision that is exempt from application of the
1-39 Employee Retirement Income Security Act of 1974 (29 U.S.C. Section
1-40 1001 et seq.).

1-41 SECTION 2. This Act takes effect September 1, 2003, and
1-42 applies only to an adverse determination under an evidence of
1-43 coverage that is delivered, issued for delivery, or renewed on or
1-44 after January 1, 2004. An adverse determination under an evidence
1-45 of coverage that is delivered, issued for delivery, or renewed
1-46 before January 1, 2004, is governed by the law as it existed
1-47 immediately before the effective date of this Act, and that law is
1-48 continued in effect for that purpose.

1-49 * * * * *