

By: Riddle

H.B. No. 1776

A BILL TO BE ENTITLED

AN ACT

1
2 relating to choice of physicians in certain managed care health
3 benefit plans.

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

5 SECTION 1. Section 843.101, Insurance Code, is amended by
6 amending Subsection (d) and adding Subsection (e) to read as
7 follows:

8 (d) Notwithstanding Section 843.111, a [A] health
9 maintenance organization may not:

10 (1) employ or contract with other health maintenance
11 organizations or physicians or providers in a manner that is
12 prohibited by a law of this state under which those health
13 maintenance organizations or physicians or providers are licensed
14 or otherwise authorized; or

15 (2) discriminate, limit, or otherwise direct an
16 enrollee's choice or selection of a physician within the health
17 maintenance organization delivery network, including by:

18 (A) charging different copayments or deductibles
19 for access to a particular physician; or

20 (B) establishing referral requirements that
21 compel direction based wholly or partly on an economic profile.

22 (e) The provisions of this section may not be amended,
23 modified, or waived by contract.

24 SECTION 2. Section 843.111(b), Insurance Code, is amended

1 to read as follows:

2 (b) Except as provided by Sections 843.101(d) and (e),
3 unless [~~Unless~~] this section and a power specified in Section
4 843.101, 843.103, 843.104, 843.106, 843.107, 843.109, or 843.110
5 are specifically amended by law, a law, without regard to the time
6 of enactment, may not be construed to prohibit or restrict a group
7 model health maintenance organization from:

8 (1) selectively contracting with or declining to
9 contract with a provider as the group model health maintenance
10 organization considers necessary;

11 (2) contracting for or declining to contract for an
12 individual health care service or full range of health care
13 services as the group model health maintenance organization
14 considers necessary, if the service or services may be legally
15 provided by the contracting provider; or

16 (3) requiring enrolled members of the group model
17 health maintenance organization who wish to obtain the services
18 covered by the group model health maintenance organization to use
19 the providers specified by the group model health maintenance
20 organization.

21 SECTION 3. Section 1301.005, Insurance Code, as effective
22 April 1, 2005, is amended by adding Subsections (d) and (e) to read
23 as follows:

24 (d) An insurer offering a preferred provider benefit plan
25 may not discriminate, limit, or otherwise direct an insured's
26 choice or selection of a physician who contracts with the insurer to
27 provide medical services as a preferred provider, including by:

1 (1) charging different copayments or deductibles for
2 access to a particular physician; or

3 (2) establishing referral requirements that compel
4 direction based wholly or partly on an economic profile.

5 (e) The provisions of this section may not be amended,
6 modified, or waived by contract.

7 SECTION 4. This Act applies to an insurance policy,
8 certificate, or contract or an evidence of coverage delivered,
9 issued for delivery, or renewed on or after January 1, 2006. A
10 policy, certificate, or contract or evidence of coverage delivered,
11 issued for delivery, or renewed before January 1, 2006, is governed
12 by the law as it existed immediately before the effective date of
13 this Act, and that law is continued in effect for that purpose.

14 SECTION 5. This Act takes effect September 1, 2005.