

By: Smith of Tarrant

H.B. No. 3188

A BILL TO BE ENTITLED

AN ACT

relating to provision of health care services by health maintenance organizations and preferred provider benefit plans.

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

SECTION 1. Section 843.101, Insurance Code, is amended by adding Subsection (e) to read as follows:

(e) In providing or arranging for the provision of health care services, each health maintenance organization shall make all reasonable efforts to ensure that the organization's network includes physicians and providers under contract with the organization in numbers sufficient to provide services to enrollees through those network physicians and providers. The health maintenance organization must provide reasonable notice to its enrollees, in the manner prescribed by the commissioner, regarding:

(1) the efforts of the health maintenance organization to ensure the availability to its enrollees of a sufficient number of network physicians and providers to provide health care services to those enrollees; and

(2) the rights of enrollees under Section 843.361.

SECTION 2. Section 843.361, Insurance Code, is amended to read as follows:

Sec. 843.361. ENROLLEES HELD HARMLESS. (a) A contract or other agreement between a health maintenance organization and a physician or provider must specify that the physician or provider

1 will hold an enrollee harmless for payment of the cost of covered
2 health care services if the health maintenance organization does
3 not pay the physician or provider for those services.

4 (b) A non-network physician or provider may not charge an
5 enrollee for a portion of a bill for health care services provided
6 to the enrollee in a hospital that is a member of the health
7 maintenance organization's network that is not paid by the health
8 maintenance organization unless the physician or provider notifies
9 the enrollee, in the manner prescribed by commissioner rule and
10 before services are provided, that the physician or provider is not
11 a member of the network.

12 SECTION 3. Subchapter D, Chapter 1301, Insurance Code, as
13 effective April 1, 2005, is amended by adding Sections 1301.163 and
14 1301.164 to read as follows:

15 Sec. 1301.163. PROVIDING OR ARRANGING FOR CARE. In
16 providing or arranging for the provision of health care services,
17 each insurer offering a preferred provider benefit plan shall make
18 all reasonable efforts to ensure that the preferred provider
19 network includes physicians and health care providers under
20 contract with the insurer in numbers sufficient to provide services
21 to insureds through those network physicians and providers. The
22 insurer must provide reasonable notice to its insureds, in the
23 manner prescribed by the commissioner, regarding:

24 (1) the efforts of the insurer to ensure the
25 availability to its insureds in a preferred provider plan of a
26 sufficient number of network physicians and health care providers
27 to provide health care services to those insureds; and

1 (2) the rights of insureds under Section 1301.164.

2 Sec. 1301.164. INSURED HELD HARMLESS. A nonpreferred
3 provider may not charge an insured for a portion of a bill for
4 medical care or health care services provided to the insured in a
5 hospital that is a preferred provider that are not paid by the
6 insurer unless the nonpreferred provider notifies the insured, in
7 the manner prescribed by commissioner rule and before services are
8 provided, that the provider is not a member of the insured's
9 preferred provider benefit plan.

10 SECTION 4. This Act takes effect immediately if it receives
11 a vote of two-thirds of all the members elected to each house, as
12 provided by Section 39, Article III, Texas Constitution. If this
13 Act does not receive the vote necessary for immediate effect, this
14 Act takes effect September 1, 2005.