

By: Nelson

S.B. No. 49

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the electronic submission of certain health care
3 transactions.

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

5 SECTION 1. Section 2, Article 21.52Z, Insurance Code, is
6 amended to read as follows:

7 Sec. 2. ELECTRONIC SUBMISSION OF CLAIMS. (a) Before
8 September 1, 2007, the [The] issuer of a health benefit plan by
9 contract may require that a health care professional licensed or
10 registered under the Occupations Code or a health care facility
11 licensed under the Health and Safety Code submit a health care claim
12 or equivalent encounter information, a referral certification, or
13 an authorization or eligibility transaction electronically. This
14 subsection expires September 1, 2007.

15 (b) On or after September 1, 2007, the issuer of a health
16 benefit plan by contract shall require that a health care
17 professional licensed or registered under the Occupations Code or a
18 health care facility licensed under the Health and Safety Code
19 submit a health care claim or equivalent encounter information, a
20 referral certification, or an authorization or eligibility
21 transaction electronically.

22 (c) The issuer of a [The] health benefit plan [~~issuer~~]
23 comply with the standards for electronic transactions required by
24 this section and established by the commissioner by rule.

1 (d) [~~(b)~~] The issuer of a health benefit plan by contract
2 shall establish a default method to submit claims in a
3 nonelectronic format if [~~there is~~] a system failure or failures
4 exist or a catastrophic event substantially interferes with the
5 normal business operations of the physician, provider, or health
6 benefit plan or its agents. The issuer of a health benefit plan
7 [~~issuer~~] shall comply with the standards for nonelectronic
8 transactions established by the commissioner by rule.

9 SECTION 2. Article 21.52Z, Insurance Code, is amended by
10 adding Section 1A to read as follows:

11 Sec. 1A. APPLICABILITY. This article does not apply to:

12 (1) a health benefit plan that provides coverage:

13 (A) only for a specified disease or for another
14 limited benefit;

15 (B) only for accidental death or dismemberment;

16 (C) for wages or payments in lieu of wages for a
17 period during which an employee is absent from work because of
18 sickness or injury;

19 (D) as a supplement to a liability insurance
20 policy;

21 (E) for credit insurance;

22 (F) only for hospital expenses;

23 (G) only for indemnity for hospital confinement;

24 or

25 (H) in accordance with Title XXI of the Social
26 Security Act (42 U.S.C. Section 1397aa et seq.);

27 (2) a Medicare supplemental policy as defined by

1 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss);

2 (3) a workers' compensation insurance policy;

3 (4) medical payment insurance coverage provided under
4 an automobile insurance policy; or

5 (5) a long-term care insurance policy, including a
6 nursing home fixed indemnity policy, unless the commissioner
7 determines that the policy provides benefit coverage so
8 comprehensive that the policy is a health benefit plan as described
9 by Section 1 of this article.

10 SECTION 3. The change in law made by this Act applies only
11 to a contract between the issuer of a health benefit plan and a
12 health care professional licensed or registered under the
13 Occupations Code or a health care facility licensed under the
14 Health and Safety Code that is delivered, issued for delivery, or
15 renewed on or after the effective date of this Act. A contract
16 between the issuer of a health benefit plan and a health care
17 professional licensed or registered under the Occupations Code or a
18 health care facility licensed under the Health and Safety Code that
19 is delivered, issued for delivery, or renewed before the effective
20 date of this Act is governed by the law in effect on the date that
21 the contract was delivered, issued for delivery, or renewed, and
22 that law is continued in effect for that purpose.

23 SECTION 4. This Act takes effect September 1, 2005.