

1-1 By: Nelson S.B. No. 49
1-2 (In the Senate - Filed November 8, 2004; January 31, 2005,
1-3 read first time and referred to Committee on State Affairs;
1-4 April 25, 2005, reported adversely, with favorable Committee
1-5 Substitute by the following vote: Yeas 8, Nays 0; April 25, 2005,
1-6 sent to printer.)

1-7 COMMITTEE SUBSTITUTE FOR S.B. No. 49 By: Madla

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

1-10 relating to the electronic submission of certain health care
1-11 transactions.

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

1-13 SECTION 1. Section 2, Article 21.52Z, Insurance Code, is
1-14 amended to read as follows:

1-15 Sec. 2. ELECTRONIC SUBMISSION OF CLAIMS. (a) Before
1-16 September 1, 2007, the [The] issuer of a health benefit plan by
1-17 contract may require that a health care professional licensed or
1-18 registered under the Occupations Code or a health care facility
1-19 licensed under the Health and Safety Code submit a health care claim
1-20 or equivalent encounter information, a referral certification, or
1-21 an authorization or eligibility transaction electronically. This
1-22 subsection expires September 1, 2007.

1-23 (b) On or after September 1, 2007, the issuer of a health
1-24 benefit plan by contract shall require that a health care
1-25 professional licensed or registered under the Occupations Code or a
1-26 health care facility licensed under the Health and Safety Code
1-27 submit a health care claim or equivalent encounter information, a
1-28 referral certification, or an authorization or eligibility
1-29 transaction electronically.

1-30 (c) The issuer of a [The] health benefit plan [issuer] shall
1-31 comply with the standards for electronic transactions required by
1-32 this section and established by the commissioner by rule.

1-33 (d) [The] issuer of a health benefit plan by contract
1-34 shall establish a default method to submit claims in a
1-35 nonelectronic format if [there is] a system failure or failures
1-36 exist or a catastrophic event substantially interferes with the
1-37 normal business operations of the physician, provider, or health
1-38 benefit plan or its agents. The issuer of a health benefit plan
1-39 [issuer] shall comply with the standards for nonelectronic
1-40 transactions established by the commissioner by rule.

1-41 SECTION 2. Article 21.52Z, Insurance Code, is amended by
1-42 adding Section 1A to read as follows:

1-43 Sec. 1A. APPLICABILITY. This article does not apply to:

1-44 (1) a health benefit plan that provides coverage:

1-45 (A) only for a specified disease or for another
1-46 limited benefit;

1-47 (B) only for accidental death or dismemberment;

1-48 (C) for wages or payments in lieu of wages for a
1-49 period during which an employee is absent from work because of
1-50 sickness or injury;

1-51 (D) as a supplement to a liability insurance
1-52 policy;

1-53 (E) for credit insurance;

1-54 (F) only for hospital expenses;

1-55 (G) only for indemnity for hospital confinement;

1-56 or

1-57 (H) in accordance with Title XXI of the Social
1-58 Security Act (42 U.S.C. Section 1397aa et seq.);

1-59 (2) a Medicare supplemental policy as defined by
1-60 Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss);

1-61 (3) a workers' compensation insurance policy;

1-62 (4) medical payment insurance coverage provided under
1-63 an automobile insurance policy; or

2-1 (5) a long-term care insurance policy, including a
2-2 nursing home fixed indemnity policy, unless the commissioner
2-3 determines that the policy provides benefit coverage so
2-4 comprehensive that the policy is a health benefit plan as described
2-5 by Section 1 of this article.

2-6 SECTION 3. The change in law made by this Act applies only
2-7 to a contract between the issuer of a health benefit plan and a
2-8 health care professional licensed or registered under the
2-9 Occupations Code or a health care facility licensed under the
2-10 Health and Safety Code that is delivered, issued for delivery, or
2-11 renewed on or after the effective date of this Act. A contract
2-12 between the issuer of a health benefit plan and a health care
2-13 professional licensed or registered under the Occupations Code or a
2-14 health care facility licensed under the Health and Safety Code that
2-15 is delivered, issued for delivery, or renewed before the effective
2-16 date of this Act is governed by the law in effect on the date that
2-17 the contract was delivered, issued for delivery, or renewed, and
2-18 that law is continued in effect for that purpose.

2-19 SECTION 4. This Act takes effect September 1, 2005.

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