

By: Nelson

S.B. No. 50

A BILL TO BE ENTITLED

AN ACT

relating to contracts between health care providers and certain health benefit plans.

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

SECTION 1. Subchapter I, Chapter 843, Insurance Code, is amended by adding Section 843.323 to read as follows:

Sec. 843.323. CONTRACT PROVISIONS PROHIBITING BUNDLING OF CLAIMS. A health maintenance organization may not refuse to include a provision in a contract with a participating physician or provider under which the health maintenance organization may not refuse to pay an individual clean claim, as that term is defined under Subchapter J, submitted by the physician or provider if payment is refused because another claim submitted by the physician or provider is not a clean claim, regardless of whether the claims are submitted or processed together.

SECTION 2. Subchapter B, Chapter 1301, Insurance Code, as effective April 1, 2005, is amended by adding Section 1301.0641 to read as follows:

Sec. 1301.0641. CONTRACT PROVISIONS PROHIBITING BUNDLING OF CLAIMS. An insurer may not refuse to include a provision in a contract with a preferred provider under which the insurer may not refuse to pay an individual clean claim, as that term is defined under Subchapter C, submitted by the provider if payment is refused because another claim submitted by the provider is not a clean

1 claim, regardless of whether the claims are submitted or processed  
2 together.

3       SECTION 3. The change in law made by this Act applies only  
4 to a contract between an insurer and a preferred provider or a  
5 health maintenance organization and a physician or provider that is  
6 entered into on or after January 1, 2006. A contract entered into  
7 before January 1, 2006, is governed by the law in effect immediately  
8 before the effective date of this Act, and that law is continued in  
9 effect for that purpose.

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