

1 AN ACT

2 relating to expedited credentialing for certain physicians
3 providing services under a managed care plan.

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

5 SECTION 1. Chapter 1452, Insurance Code, is amended by
6 adding Subchapter C to read as follows:

7 SUBCHAPTER C. EXPEDITED CREDENTIALING PROCESS

8 FOR CERTAIN PHYSICIANS

9 Sec. 1452.101. DEFINITIONS. In this subchapter:

10 (1) "Applicant physician" means a physician applying
11 for expedited credentialing under this subchapter.

12 (2) "Enrollee" means an individual who is eligible to
13 receive health care services under a managed care plan.

14 (3) "Health care provider" means:

15 (A) an individual who is licensed, certified, or
16 otherwise authorized to provide health care services in this state;
17 or

18 (B) a hospital, emergency clinic, outpatient
19 clinic, or other facility providing health care services.

20 (4) "Managed care plan" means a health benefit plan
21 under which health care services are provided to enrollees through
22 contracts with health care providers and that requires enrollees to
23 use participating providers or that provides a different level of
24 coverage for enrollees who use participating providers. The term

1 includes a health benefit plan issued by:

2 (A) a health maintenance organization;

3 (B) a preferred provider benefit plan issuer; or

4 (C) any other entity that issues a health benefit
5 plan, including an insurance company.

6 (5) "Medical group" means a professional corporation
7 or other business entity composed of licensed physicians as
8 permitted under Subchapter B, Chapter 162, Occupations Code.

9 (6) "Participating provider" means a health care
10 provider who has contracted with a health benefit plan issuer to
11 provide services to enrollees.

12 Sec. 1452.102. APPLICABILITY. This subchapter applies only
13 to a physician who joins an established medical group that has a
14 current contract in force with a managed care plan.

15 Sec. 1452.103. ELIGIBILITY REQUIREMENTS. To qualify for
16 expedited credentialing under this subchapter and payment under
17 Section 1452.104, an applicant physician must:

18 (1) be licensed in this state by, and in good standing
19 with, the Texas Medical Board;

20 (2) submit all documentation and other information
21 required by the issuer of the managed care plan as necessary to
22 enable the issuer to begin the credentialing process required by
23 the issuer to include a physician in the issuer's health benefit
24 plan network; and

25 (3) agree to comply with the terms of the managed care
26 plan's participating provider contract currently in force with the
27 applicant physician's established medical group.

1 Sec. 1452.104. PAYMENT OF APPLICANT PHYSICIAN DURING
2 CREDENTIALING PROCESS. On submission by the applicant physician of
3 the information required by the managed care plan issuer under
4 Section 1452.103(2), and for payment purposes only, the issuer
5 shall treat the applicant physician as if the physician were a
6 participating provider in the health benefit plan network when the
7 applicant physician provides services to the managed care plan's
8 enrollees, including:

9 (1) authorizing the applicant physician to collect
10 copayments from the enrollees; and

11 (2) making payments to the applicant physician.

12 Sec. 1452.105. DIRECTORY ENTRIES. Pending the approval of
13 an application submitted under Section 1452.104, the managed care
14 plan may exclude the applicant physician from the managed care
15 plan's directory of participating physicians, the managed care
16 plan's website listing of participating physicians, or any other
17 listing of participating physicians.

18 Sec. 1452.106. EFFECT OF FAILURE TO MEET CREDENTIALING
19 REQUIREMENTS. If, on completion of the credentialing process, the
20 managed care plan issuer determines that the applicant physician
21 does not meet the issuer's credentialing requirements:

22 (1) the managed care plan issuer may recover from the
23 applicant physician or the physician's medical group an amount
24 equal to the difference between payments for in-network benefits
25 and out-of-network benefits; and

26 (2) the applicant physician or the physician's medical
27 group may retain any copayments collected or in the process of being

1 collected as of the date of the issuer's determination.

2 Sec. 1452.107. ENROLLEE HELD HARMLESS. An enrollee in the
3 managed care plan is not responsible and shall be held harmless for
4 the difference between in-network copayments paid by the enrollee
5 to a physician who is determined to be ineligible under Section
6 1452.106 and the managed care plan's charges for out-of-network
7 services. The physician and the physician's medical group may not
8 charge the enrollee for any portion of the physician's fee that is
9 not paid or reimbursed by the enrollee's managed care plan.

10 Sec. 1452.108. LIMITATION ON MANAGED CARE ISSUER
11 LIABILITY. A managed care plan issuer that complies with this
12 subchapter is not subject to liability for damages arising out of or
13 in connection with, directly or indirectly, the payment by the
14 issuer of an applicant physician as if the physician were a
15 participating provider in the health benefit plan network.

16 SECTION 2. Section 843.203, Insurance Code, is amended by
17 adding Subsection (c) to read as follows:

18 (c) For purposes of this subchapter, an applicant
19 physician, as defined by Chapter 1452, may not be considered to be
20 an available primary care physician or primary care provider within
21 the health maintenance organization delivery network for selection
22 by an enrollee.

23 SECTION 3. The change in law made by this Act applies only
24 to credentialing of a physician under a contract entered into or
25 renewed by a medical group and an issuer of a managed care plan on or
26 after the effective date of this Act. A contract entered into or
27 renewed before the effective date of this Act is governed by the law

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1 in effect immediately before that date, and that law is continued in
2 effect for that purpose.

3 SECTION 4. This Act takes effect September 1, 2007.

President of the Senate

Speaker of the House

I certify that H.B. No. 1594 was passed by the House on April 4, 2007, by the following vote: Yeas 142, Nays 0, 2 present, not voting; that the House refused to concur in Senate amendments to H.B. No. 1594 on May 17, 2007, and requested the appointment of a conference committee to consider the differences between the two houses; and that the House adopted the conference committee report on H.B. No. 1594 on May 26, 2007, by the following vote: Yeas 144, Nays 0, 2 present, not voting.

Chief Clerk of the House

H.B. No. 1594

I certify that H.B. No. 1594 was passed by the Senate, with amendments, on May 15, 2007, by the following vote: Yeas 31, Nays 0; at the request of the House, the Senate appointed a conference committee to consider the differences between the two houses; and that the Senate adopted the conference committee report on H.B. No. 1594 on May 26, 2007, by the following vote: Yeas 30, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor