

By: Taylor

H.B. No. 2199

A BILL TO BE ENTITLED

AN ACT

relating to payment of physicians and health care providers for care provided to persons covered by certain health benefit plans.

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

SECTION 1. Subtitle C, Title 8, Insurance Code, is amended by adding Chapter 1275 to read as follows:

CHAPTER 1275. PAYMENT OF PHYSICIANS AND PROVIDERS FOR SERVICES PROVIDED TO PERSONS COVERED BY CERTAIN MANAGED CARE PLANS

Sec. 1275.001. DEFINITIONS. In this chapter:

(1) "Anesthesia" means medical services that involve anesthesia as that term is used by the 2005 edition of the American Medical Association's Current Procedural Terminology (Professional Edition).

(2) "Emergency medicine" means medical services that involve emergency department services as that term is used by the 2005 edition of the American Medical Association's Current Procedural Terminology (Professional Edition).

(3) "Exclusive arrangement" means a formal contract or informal arrangement between a physician and a health care facility under which only the physician, alone or with other physicians selected or designated by the facility, may provide a facility-based physician service at the facility.

(4) "Facility-based physician service" means a service:

1 (A) the performance of which requires a license
2 to practice medicine in this state;

3 (B) involving one or more of the medical
4 specialties of radiology, anesthesia, pathology, emergency
5 medicine, or neonatology; and

6 (C) provided to a patient of a health care
7 facility.

8 (5) "Health benefit plan issuer" means:

9 (A) a health insurer that issues a preferred
10 provider benefit plan under Chapter 1301; or

11 (B) a health maintenance organization operating
12 under Chapter 843.

13 (6) "Health care facility" means a hospital, skilled
14 nursing facility, or ambulatory surgical center licensed by this
15 state.

16 (7) "Member" means an individual insured by a
17 preferred provider benefit plan under Chapter 1301, including a
18 covered dependent, or an enrollee, as that term is defined by
19 Section 843.002.

20 (8) "Neonatology" means neonatal critical care as that
21 term is used by the 2005 edition of the American Medical
22 Association's Current Procedural Terminology (Professional
23 Edition).

24 (9) "Nonparticipating physician" means a physician
25 who, with respect to a health benefit plan, is not part of the
26 network of providers with whom the health benefit plan issuer has
27 contracted to provide medical care or health care to members of the

1 health benefit plan.

2 (10) "Nonparticipating provider" means a provider
3 who, with respect to a health benefit plan, is not part of the
4 network of providers with whom the health benefit plan issuer has
5 contracted to provide health care to members of the health benefit
6 plan.

7 (11) "Pathology" means medical services that involve
8 anatomic pathology as that term is used by the 2005 edition of the
9 American Medical Association's Current Procedural Terminology
10 (Professional Edition).

11 (12) "Physician" has the meaning assigned by Section
12 843.002.

13 (13) "Provider" has the meaning assigned by Section
14 843.002.

15 (14) "Radiology" means medical services that involve
16 one or more of the following services, as those terms are used by
17 the 2005 edition of the American Medical Association's Current
18 Procedural Terminology (Professional Edition):

- 19 (A) diagnostic radiology (diagnostic imaging);
20 (B) diagnostic ultrasound;
21 (C) radiation oncology; or
22 (D) nuclear medicine.

23 Sec. 1275.002. SERVICES PROVIDED UNDER EXCLUSIVE
24 ARRANGEMENT. (a) If a member offers to assign to a
25 nonparticipating physician the member's right to benefits from the
26 member's health benefit plan issuer, the nonparticipating
27 physician may not charge the member or the member's representative

1 any amount for any facility-based physician service provided under
2 an exclusive arrangement, other than amounts for copayments,
3 coinsurance, or deductibles as provided by the member's policy or
4 contract with the health benefit plan issuer.

5 (b) If a member does not offer to assign or refuses to assign
6 to a nonparticipating physician the member's right to benefits from
7 the member's health benefit plan issuer, the nonparticipating
8 physician may charge the member for the facility-based physician
9 service provided under an exclusive arrangement.

10 (c) A health benefit plan issuer's liability to a
11 nonparticipating physician for a facility-based physician service
12 provided under an exclusive arrangement is limited to the health
13 benefit plan issuer's obligation under the issuer's policy or
14 contract with the member.

15 Sec. 1275.003. SERVICES PROVIDED BY NONPARTICIPATING
16 PHYSICIAN OR PROVIDER. (a) A nonparticipating physician or
17 provider may require a member to assign the member's benefits from
18 the member's health benefit plan issuer to the nonparticipating
19 physician or provider.

20 (b) If a nonparticipating physician or provider accepts a
21 member's assignment of the member's benefits, the nonparticipating
22 physician or provider may not charge the member or the member's
23 representative any amount for a physician or provider service,
24 other than amounts for copayments, coinsurance, or deductibles
25 under the member's policy or contract with the health benefit plan
26 issuer.

27 (c) A health benefit plan issuer's liability to a

1 nonparticipating physician or provider who has accepted an
2 assignment of benefits from a member for a physician or provider
3 service is limited to the issuer's obligation under the issuer's
4 policy or contract with the member.

5 (d) Except as provided by Section 1275.002, if a
6 nonparticipating physician or provider does not require a member to
7 assign the member's benefits or otherwise accept the member's
8 assignment of benefits, the nonparticipating physician or provider
9 may charge the member or the member's representative for the
10 physician or provider service.

11 SECTION 2. The change in law made by this Act applies only
12 to professional services provided by a physician or health care
13 provider on or after the effective date of this Act. Services
14 provided before the effective date of this Act are governed by the
15 law in effect immediately before that date, and that law is
16 continued in effect for that purpose.

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