

By: Rose

H.B. No. 3899

A BILL TO BE ENTITLED

AN ACT

relating to required due process provisions in managed care contracts.

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

SECTION 1. Chapter 843, Insurance Code, is amended by adding Section 843.324 to read as follows:

Sec. 843.324. CONTRACTS WITH PHYSICIANS: DUE PROCESS IN REVIEW. (a) A contract between a health maintenance organization and a physician or provider must include a provision that the health maintenance organization will not publish physician specific information, such as ratings or comparisons of performance against standards, measures, or other physicians, until after the physician has been provided due process.

(b) This section does not apply to the publication of a list of network physicians and providers so long as ratings or comparisons are not made.

SECTION 2. Section 1301.059, Chapter 1301, Insurance Code, is amended to read as follows:

Sec. 1301.059. QUALITY ASSESSMENT. (a) In this section, "quality assessment" means a mechanism used by an insurer to rate or compare performance against standards, measures, or other physicians or to evaluate, monitor, or improve the quality and effectiveness of the medical care delivered by physicians or health care providers to persons covered by a health insurance policy to

1 ensure that the care delivered is consistent with the care
2 delivered by an ordinary, reasonable, and prudent physician or
3 health care provider under the same or similar circumstances.

4 (b) An insurer may not engage in quality assessment except
5 through a panel of at least three physicians selected by the insurer
6 from among a list of physicians contracting with the insurer. The
7 physicians contracting with the insurer in the applicable service
8 area shall provide the list of physicians to the insurer.

9 (c) A preferred provider contract must include a provision
10 that the insurer will not publish physician specific information,
11 such as ratings or comparisons of performance against standards,
12 measures, or other physicians, until after the physician has been
13 provided due process.

14 (d) This section does not apply to the publication of a list
15 of preferred physicians and providers so long as ratings, measures
16 or comparisons are not made.

17 SECTION 3. This Act takes effect immediately if it receives
18 a vote of two-thirds of all the members elected to each house, as
19 provided by Section 39, Article III, Texas Constitution. If this
20 Act does not receive the vote necessary for immediate effect, this
21 Act takes effect September 1, 2007.