

By: Carona

S.B. No. 1111

A BILL TO BE ENTITLED

AN ACT

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

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

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

SUBCHAPTER C. EXPEDITED CREDENTIALING PROCESS

FOR CERTAIN PHYSICIANS

Sec. 1452.101. DEFINITIONS. In this subchapter:

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

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

(3) "Health care provider" means:

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

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

(4) "Managed care plan" means a health benefit plan under which health care services are provided to enrollees through contracts with health care providers and that requires enrollees to use participating providers or that provides a different level of 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, an applicant
17 physician must:

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

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.

25 Sec. 1452.104. PAYMENT OF APPLICANT PHYSICIAN DURING
26 CREDENTIALING PROCESS. On submission by the applicant physician of
27 the information required by the managed care plan issuer under

1 Section 1452.103(2), the issuer shall treat the applicant physician
2 as if the physician were a participating provider in the health
3 benefit plan network when the applicant physician provides services
4 to the managed care plan's enrollees, including:

5 (1) authorizing the applicant physician to collect
6 copayments from the enrollees; and

7 (2) making payments to the applicant physician.

8 Sec. 1452.105. EFFECT OF FAILURE TO MEET CREDENTIALING
9 REQUIREMENTS. If, on completion of the credentialing process, the
10 managed care plan issuer determines that the applicant physician
11 does not meet the issuer's credentialing requirements:

12 (1) the managed care plan issuer may recover from the
13 applicant physician or the physician's medical group an amount
14 equal to the difference between charges for in-network benefits and
15 out-of-network benefits; and

16 (2) the applicant physician or the physician's medical
17 group may retain any copayments collected or in the process of being
18 collected as of the date of the issuer's determination.

19 Sec. 1452.106. ENROLLEE HELD HARMLESS. An enrollee in the
20 managed care plan is not responsible and shall be held harmless for
21 the difference between in-network copayments paid by the enrollee
22 to a physician who is determined to be ineligible under Section
23 1452.105 and the managed care plan's charges for out-of-network
24 services. The physician and the physician's medical group may not
25 charge the enrollee for any portion of the physician's fee that is
26 not paid or reimbursed by the enrollee's managed care plan.

27 SECTION 2. The change in law made by this Act applies only

1 to credentialing of a physician under a contract entered into or
2 renewed by a medical group and an issuer of a managed care plan on or
3 after the effective date of this Act. A contract entered into or
4 renewed before the effective date of this Act is governed by the law
5 in effect immediately before that date, and that law is continued in
6 effect for that purpose.

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

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