

By: Williams

S.B. No. 1884

A BILL TO BE ENTITLED

AN ACT

relating to prompt payment penalties.

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

SECTION 1. Subsection (g), Section 843.342, Insurance Code, is amended to read as follows:

(g) For the purposes of Subsections (d) and (e), the underpaid amount is calculated on the ratio of the amount underpaid on the contracted rate to the contracted rate as applied to the billed charges as submitted on the claim less the contracted rate.

SECTION 2. Subsection (g), Section 1301.137, Insurance Code, is amended to read as follows:

(g) For the purposes of Subsections (d) and (e), the underpaid amount is calculated on the ratio of the amount underpaid on the contracted rate to the contracted rate as applied to the billed charges as submitted on the claim less the contracted rate.

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