

BILL ANALYSIS

H.B. 389
By: Zerwas
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

When a physician is newly licensed in Texas or moves to a new community to establish a practice, the physician is required to become 'credentialed' with the various health insurance plans in that community. The physician credentialing process is often long, although the health insurance plans ultimately approve the credentials of the vast majority of physicians that apply.

Often, the physician joins a group of physicians who are credentialed and have contracts with those plans. The delay in the credentialing process puts patients at financial risk, because until the plan approves the credentials of the physician, the physician is forced to bill the patient whom the physician treats as out of network, even though the physician is with a physician group that is contracted with the health insurance plan.

During the 80th Legislature, Regular Session, 2007, H.B. 1594 was enacted to expedite credentialing of physicians joining an existing medical group. Inadvertently, the term "group" was not defined, and thus the legislative intent has not been followed by certain insurers.

H.B. 389 addresses the issue of inadequate networks by expediting the process for physician entry into various health insurance plans when the physician joins an existing group that has a contract with the health insurance plan.

H.B. 389 redefines the term "medical group."

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 389 amends provisions of the Insurance Code relating to the expedited credentialing of certain physicians by managed care plans to redefine "medical group" to include a single legal entity owned by two or more physicians and to include a professional association composed of licensed physicians, rather than a professional corporation.

EFFECTIVE DATE

September 1, 2009.