

BILL ANALYSIS

C.S.H.B. 4519
By: Homer
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

C.S.H.B. 4519 sets forth the standards and rules the commissioner of insurance is required to adopt relating to an independent review organization.

RULEMAKING AUTHORITY

It is the committee's opinion that rulemaking authority is expressly granted to the commissioner of insurance in SECTION 1 of this bill.

ANALYSIS

C.S.H.B. 4519 amends the Insurance Code to require the commissioner of insurance to adopt standards and rules that prohibit more than one independent review organization from operating out of the same office or other facility, an individual or entity from owning more than one independent review organization, an individual from owning stock in or serving board of more than one independent review organization, and an individual who has served on the board of an independent review organization whose certification was revoked for cause from serving on the board of another independent review organization before the fifth anniversary of the date on which the revocation occurred. The bill requires the standards and rules to prohibit an attorney who is, or has in the past served as, the registered agent for an independent review organization from representing the independent review organization in legal proceedings, and an independent review organization from disclosing confidential patient information, except to a provider who is under contract to perform the review. The bill requires the standards and rules to require an independent review organization to be based and certified in Texas and to locate the organization's primary offices in the state, to voluntarily surrender the organization's certification while the organization is under investigation or as part of an agreed order, and to apply for and receive a new certification after the organization is sold to a new owner.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 4519 differs from the original by prohibiting an independent review organization from disclosing confidential patient information, except to a provider who is under contract to perform the review, whereas the original requires it to be considered a violation of patient confidentiality to outsource any part of a review, except to such a provider. The substitute differs from the original by making nonsubstantive changes to the language of the other standards for an independent review organization. The substitute differs from the original by requiring the commissioner of insurance to adopt standards and rules relating to an independent review organization, whereas the original does not provide rulemaking authority and instead requires independent review organizations to include those standards.