By: Smithee H.B. No. 4179

A BILL TO BE ENTITLED

AN ACT

relating to health insurance.

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

SECTION 1. Section 542.051, Insurance Code, is amended by adding Subdivision (5) to read as follows:

(5) "Provider network" means a health benefit plan under which health care services are provided to enrollees through contracts with health care providers and that requires those enrollees to use health care providers participating in the plan and procedures covered by the plan. The term includes a network operated by:

(A) a health maintenance organization;

(B) a preferred provider benefit plan issuer; or

(C) another entity that issues a health benefit plan, including an insurance company.

SECTION 2. Section 542.052, Insurance Code, is amended to read as follows:

Sec. 542.052. APPLICABILITY OF SUBCHAPTER. (a) This subchapter applies to any insurer authorized to engage in business as an insurance company or to provide insurance in this state, including:

(1) a stock life, health, or accident insurance company;

(2) a mutual life, health, or accident insurance

company;

(3) a stock fire or casualty insurance company;

(4) a mutual fire or casualty insurance company;

(5) a Mexican casualty insurance company;

(6) a Lloyd's plan;

(7) a reciprocal or interinsurance exchange;

(8) a fraternal benefit society;

(9) a stipulated premium company;

(10) a nonprofit legal services corporation;

(11) a statewide mutual assessment company;

(12) a local mutual aid association;

(13) a local mutual burial association;

(14) an association exempt under Section 887.102;

(15) a nonprofit hospital, medical, or dental service corporation, including a corporation subject to Chapter 842;

(16) a county mutual insurance company;

(17) a farm mutual insurance company;

(18) a risk retention group;

(19) a purchasing group;

(20) an eligible surplus lines insurer; and

(21) except as provided by Section 542.053(b), a guaranty association operating under Chapter 462 or 463.

(b) This subchapter applies to a claim of a health care provider who:

(1) is in the provider network of an enrollee's insurer; or

(2) is not in the provider network of an enrollee's

insurer.

SECTION 3. Chapter 1274, Insurance Code, is amended by adding Section 1274.006 to read as follows:

Sec. 1274.006. A health benefit plan issuer shall establish a secure website that provides an enrollee with real-time information concerning:

(1) any applicable deductibles; and

(2) physician or health care provider network participation.

SECTION 4. Section 1369.153(a), Insurance Code, is amended to read as follows:

(a) An issuer of a health benefit plan that provides pharmacy benefits to enrollees shall include on the identification card of each enrollee:

(1) the name or logo of the entity administering the pharmacy benefits if the entity is different from the health benefit plan issuer;

(2) the group number applicable to the enrollee;

(3) the identification number of the enrollee;

(4) [~~(3)~~] the effective date and expected expiration date of the coverage evidenced by the card;

(5) [~~(4)~~] a telephone number for contacting an appropriate person to obtain information relating to the pharmacy benefits provided under the plan; [~~and~~]

(6) [~~(5)~~] copayment and deductible information for generic and brand-name prescription drugs; and

(7) any other information required by the commission

by rule.

SECTION 5. Chapter 1456, Insurance Code, is amended by adding Section 1456.0066 to read as follows:

Sec. 1456.0066. NETWORK ADEQUACY STANDARDS. The commissioner shall by rule adopt network adequacy standards that are adapted to local markets in which the health benefit plan operates. The rules must include standards that ensure availability of, and accessibility to, a full range of health care practitioners to provide health care services to enrollees.

SECTION 6. Subtitle F, Title 8, Insurance Code, is amended by adding Chapter 1458 to read as follows:

CHAPTER 1458. PAYMENT OF OUT-OF-NETWORK PROVIDERS

Sec. 1458.001. DEFINITIONS. In this chapter:

(1) "Balance billing" has the meaning assigned by Section 1456.001.

(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 to provide health care services; 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 those enrollees to use health care providers participating in the plan and procedures covered by the plan. The term includes a health

benefit plan issued by:

(A) a health maintenance organization;

(B) a preferred provider benefit plan issuer; or

(C) any other entity that issues a health benefit plan, including an insurance company.

(5) "Out-of-network provider" means a health care provider who is not a participating provider.

(6) "Participating provider" means a health care provider who has contracted with a health benefit plan issuer to provide services to enrollees.

Sec. 1458.002. PAYMENT AT IN-NETWORK RATE. A managed care plan must pay an out-of-network health care provider that provides a service to an enrollee at the rate the plan pays a participating provider for the health care service.

Sec. 1458.003. NO BALANCE BILLING. An out-of-network health care provider may not balance bill.

Sec. 1458.004. RULES. The commissioner shall adopt rules necessary to implement this chapter.

SECTION 7. This Act applies only to an insurance policy or contract or evidence of coverage that is delivered, issued for delivery, or renewed on or after January 1, 2010. An insurance policy or contract or evidence of coverage delivered, issued for delivery, or renewed before January 1, 2010, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 8. This Act takes effect September 1, 2009.