

By: Homer

H.B. No. 4519

A BILL TO BE ENTITLED

AN ACT

relating to standards for independent review organizations.

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

SECTION 1. Title 14, Chapter 4202, Insurance Code, is amended by adding a new section 4202.0021 to read as follows:

Sec. 4202.0021. Independent Review Organizations shall include the following standards:

(a) no more than one independent review organization may be located at one facility;

(b) multiple ownership of independent review organizations shall be disallowed and no individual shall own stock or be on the board of more than one independent review organization;

(c) an independent review organization shall be based in Texas, have licensure in Texas and its primary offices must be located in Texas;

(d) an independent review organization shall voluntarily surrender its license while under investigation or as part of an agreed order;

(d) a person who has served on the board of directors of an independent review organization which has lost its license for due cause, as determined by the Department, shall be ineligible to serve on the board of another independent review organization for a period of five calendar years;

(e) any attorney who is, or has in the past served as, the

1 registered agent for an independent review organization is  
2 considered to have a conflict of interest and may be disqualified  
3 from representing the independent review organization in legal  
4 proceedings;

5 (f) the sale of an independent review organization shall  
6 require a complete new application process; and

7 (g) it shall be considered a violation of patient  
8 confidentiality to outsource any part of a review, except to the  
9 provider who is under contract to perform the review.

10 SECTION 2. This Act takes effect September 1, 2009.