

1-1 By: Homer (Senate Sponsor - Deuell) H.B. No. 4519
1-2 (In the Senate - Received from the House May 18, 2009;
1-3 May 19, 2009, read first time and referred to Committee on State
1-4 Affairs; May 23, 2009, reported favorably by the following vote:
1-5 Yeas 8, Nays 0; May 23, 2009, sent to printer.)

1-6 A BILL TO BE ENTITLED
1-7 AN ACT

1-8 relating to standards for independent review organizations.

1-9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-10 SECTION 1. Section 4202.002, Insurance Code, is amended by
1-11 adding Subsection (c) to read as follows:

1-12 (c) In addition to the standards described by Subsection
1-13 (b), the commissioner shall adopt standards and rules that:

1-14 (1) prohibit:

1-15 (A) more than one independent review
1-16 organization from operating out of the same office or other
1-17 facility;

1-18 (B) an individual or entity from owning more than
1-19 one independent review organization;

1-20 (C) an individual from owning stock in or serving
1-21 on the board of more than one independent review organization;

1-22 (D) an individual who has served on the board of
1-23 an independent review organization whose certification was revoked
1-24 for cause from serving on the board of another independent review
1-25 organization before the fifth anniversary of the date on which the
1-26 revocation occurred;

1-27 (E) an attorney who is, or has in the past served
1-28 as, the registered agent for an independent review organization
1-29 from representing the independent review organization in legal
1-30 proceedings; and

1-31 (F) an independent review organization from
1-32 disclosing confidential patient information, except to a provider
1-33 who is under contract to perform the review; and

1-34 (2) require:

1-35 (A) an independent review organization to be
1-36 based and certified in this state and to locate the organization's
1-37 primary offices in this state;

1-38 (B) an independent review organization to
1-39 voluntarily surrender the organization's certification while the
1-40 organization is under investigation or as part of an agreed order;
1-41 and

1-42 (C) an independent review organization to apply
1-43 for and receive a new certification after the organization is sold
1-44 to a new owner.

1-45 SECTION 2. This Act takes effect September 1, 2009.

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