

By: Duncan

S.B. No. 1747

A BILL TO BE ENTITLED

AN ACT

1
2 relating to billing practices for certain health care facilities
3 and providers.

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

5 SECTION 1. Section 324.001, Health and Safety Code, is
6 amended by adding Subdivision (8) to read as follows:

7 (8) "Preferred provider" means a facility that
8 contracts to provide medical care or health care to participants or
9 beneficiaries of a health plan in accordance with agreed
10 reimbursement rates.

11 SECTION 2. Section 324.101, Health and Safety Code, is
12 amended by amending Subsections (e) and (f) and adding Subsections
13 (f-1), (f-2), (f-3), (f-4), (f-5), and (f-6) to read as follows:

14 (e) A facility shall provide to the consumer at the
15 consumer's request an itemized statement of the billed charges
16 [~~services~~] if the consumer requests the statement not later than
17 the first anniversary of the date the person is discharged from the
18 facility. The facility shall provide the statement to the consumer
19 not later than the 10th business day after the date on which the
20 statement is requested. The facility may provide the consumer with
21 an electronic copy of the itemized statement.

22 (f) If the billed charges exceed \$20,000, the [A] facility
23 shall provide an itemized statement of the billed charges
24 [~~services~~] to a third-party payor who is actually or potentially

1 responsible for paying all or part of the billed charges for
2 providing services [~~provided~~] to a patient [~~and who has received a~~
3 ~~claim for payment of those services. To be entitled to receive a~~
4 ~~statement, the third-party payor must request the statement from~~
5 ~~the facility and must have received a claim for payment. The~~
6 ~~request must be made not later than one year after the date on which~~
7 ~~the payor received the claim for payment]. The facility shall
8 provide the statement to the payor with the facility's claim for
9 payment.~~

10 (f-1) A third-party payor may request an itemized statement
11 for billed charges of \$20,000 or less.

12 (f-2) After receiving an itemized statement under
13 Subsection (f) or (f-1), a third-party payor may request additional
14 information, including medical records and operative reports.

15 (f-3) The facility shall provide the statement requested
16 under Subsection (f-1) or information requested under Subsection
17 (f-2) as soon as practicable. The third-party payor and the
18 facility may agree to allow the itemized statement and the
19 additional information to be requested simultaneously to
20 facilitate investigation and payment of billed charges. The days
21 between the date a third-party payor requests an itemized statement
22 or additional information from the facility and the date the payor
23 receives the statement or information may not be counted in a
24 payment period established by statute or under contract.

25 (f-4) The facility may provide the third-party payor with an
26 electronic copy of an itemized statement under this section [~~not~~
27 ~~later than the 30th day after the date on which the payor requests~~

1 ~~the statement~~].

2 (f-5) If a third-party payor receives a claim for payment of
3 part [~~but not all~~] of the billed services, the third-party payor is
4 entitled to [~~may request~~] an itemized statement of only the billed
5 charges [~~services~~] for which payment is claimed or to which any
6 deduction or copayment applies.

7 (f-6) A third-party payor that requests an itemized
8 statement or additional information under Subsection (f-1) or (f-2)
9 must have evidence sufficient to prove the date the payor made the
10 request, which may include a certified mail receipt or an
11 electronic date stamp. Unless rebutted by sufficient evidence
12 provided by a facility, the date the payor receives the statement or
13 additional information, as shown in the payor's records, is
14 presumed to be the date of receipt for purposes of Subsection (f-3).

15 SECTION 3. Section 324.103, Health and Safety Code, is
16 amended to read as follows:

17 Sec. 324.103. [~~CONSUMER~~] WAIVER PROHIBITED. The
18 provisions of this chapter may not be waived, voided, or nullified
19 by a contract or an agreement between a facility and a consumer or
20 third-party payor.

21 SECTION 4. Subchapter C, Chapter 324, Health and Safety
22 Code, is amended by adding Sections 324.104, 324.105, and 324.106
23 to read as follows:

24 Sec. 324.104. CLAIM FOR PAYMENT FROM PREFERRED PROVIDER.

25 (a) A preferred provider that directly or through its agent or
26 assignee asserts that a claim for payment of a medical or health
27 care service or supply provided to a consumer, including a claim for

1 payment of the amount due for a disallowed discount on the service
2 or supply provided, has not been timely or accurately paid shall
3 provide written notification of the nonpayment or inaccuracy to the
4 third-party payor not later than the 180th day after the earlier of
5 the date the preferred provider received payment from the payor or
6 the date that payment was due. A preferred provider or agent that
7 fails to provide the notification before the 180th day is barred
8 from asserting the claim of nonpayment or inaccuracy.

9 (b) If a patient is admitted to a preferred provider for
10 more than 15 days, the preferred provider on request of a
11 third-party payor shall provide an interim statement of the
12 facility's billed charges to the third-party payor not later than
13 the 10th day after the date the third-party payor submits the
14 request.

15 Sec. 324.105. OVERPAYMENT AND REIMBURSEMENT. (a) Not
16 later than the 45th day after the date a preferred provider receives
17 a written notice of overpayment and request for reimbursement from
18 a third-party payor or the preferred provider makes a determination
19 that it has received an overpayment, the preferred provider shall
20 reimburse the third-party payor for any payment amount that exceeds
21 the amount owed to the preferred provider for an eligible charge.

22 (b) A preferred provider that fails to make a reimbursement
23 required by this section shall pay, in addition to the
24 reimbursement, a late payment penalty in an amount equal to 10
25 percent of the amount of the required reimbursement.

26 Sec. 324.106. COLLECTION OF BILLED CHARGES BY OTHERS. A
27 person collecting a billed charge of a facility subject to this

1 chapter shall comply with the requirements of this chapter before
2 submitting a demand for payment. This section applies without
3 regard to whether the person collecting the billed charge is acting
4 on behalf of the facility or otherwise.

5 SECTION 5. The changes in law made by this Act to Chapter
6 324, Health and Safety Code, apply only to services or supplies
7 provided by a health care facility to a consumer on or after the
8 effective date of this Act. Services or supplies provided before
9 the effective date of this Act are governed by the law in effect
10 immediately before the effective date of this Act, and that law is
11 continued in effect for that purpose.

12 SECTION 6. This Act takes effect September 1, 2009.