

BILL ANALYSIS

C.S.H.B. 2162
By: Eiland
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties observe that medical transportation brokerage services have been around for several years and are gaining popularity as health care continues to evolve and the need for medical transportation rises. These parties contend that, although federal law establishes certain conflict of interest prohibitions for nonemergency medical transportation service brokers who provide services under a Medicaid program, there are no such provisions with respect to private insurance providers. C.S.H.B. 2162 seeks to ensure that certain conflicts of interest do not exist in the relationships between issuers of certain health benefit plans and nonemergency ambulance transportation service providers.

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. 2162 amends the Insurance Code to prohibit the issuer of a health benefit plan that provides coverage for nonemergency ambulance transportation services from contracting with a nonemergency ambulance transportation service provider who has a direct or indirect ownership interest in a transportation brokerage service that contracts with the plan and provides for the establishment of a nonemergency ambulance transportation network. The bill creates an exception to that prohibition for nonemergency ambulance transportation services provided in an area of Texas in which there is only one nonemergency ambulance transportation service provider available to provide the transportation service needed. The bill requires a health benefit plan that provides coverage for nonemergency ambulance transportation services under the exception to maintain documentation evidencing that no other provider is available to provide the service in the area. The bill prohibits a transportation service provider from offering or making any payment or other form of remuneration, including any kickback, rebate, cash, gift, or service in kind, to the issuer of a health benefit plan for referrals to the provider, or for contracting with the provider, to provide nonemergency ambulance transportation services.

C.S.H.B. 2162 applies its provisions to specified health benefit plans and specifies plans, policies, and coverages to which its provisions do not apply. The bill requires the commissioner of insurance to adopt rules necessary to implement the bill's provisions. The bill's provisions apply to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2014.

EFFECTIVE DATE

September 1, 2013.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2162 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and highlighted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Chapter 1451, Insurance Code, is amended by adding Subchapter J to read as follows:

SUBCHAPTER J. ACCESS TO TRANSPORTATION SERVICES

Sec. 1451.451. APPLICABILITY. This subchapter applies only to a health benefit plan that provides benefits for nonemergency transportation services and that:

(1) provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including:

(A) an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is offered by:

- (i) an insurance company;
- (ii) a group hospital service corporation operating under Chapter 842;
- (iii) a fraternal benefit society operating under Chapter 885;
- (iv) a stipulated premium company operating under Chapter 884; or
- (v) a health maintenance organization operating under Chapter 843; and

(B) to the extent permitted by the Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.), a health benefit plan that is offered by:

(i) a multiple employer welfare arrangement as defined by Section 3 of that Act; or

(ii) another analogous benefit arrangement;

(2) is offered by:

(A) an approved nonprofit health corporation that holds a certificate of authority under Chapter 844; or

(B) an entity that is not authorized under this code or another insurance law of this state that contracts directly for health care services on a risk-sharing basis, including a capitation basis; or

(3) provides health and accident coverage through a risk pool created under Chapter

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Chapter 1451, Insurance Code, is amended by adding Subchapter J to read as follows:

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(1) provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including:

(A) an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or an individual or group evidence of coverage or similar coverage document that is offered by:

- (i) an insurance company;
- (ii) a group hospital service corporation operating under Chapter 842;
- (iii) a fraternal benefit society operating under Chapter 885;
- (iv) a stipulated premium company operating under Chapter 884; or
- (v) a health maintenance organization operating under Chapter 843; and

(B) to the extent permitted by the Employee Retirement Income Security Act of 1974 (29 U.S.C. Section 1001 et seq.), a health benefit plan that is offered by:

(i) a multiple employer welfare arrangement as defined by Section 3 of that Act; or

(ii) another analogous benefit arrangement;

(2) is offered by:

(A) an approved nonprofit health corporation that holds a certificate of authority under Chapter 844; or

(B) an entity that is not authorized under this code or another insurance law of this state that contracts directly for health care services on a risk-sharing basis, including a capitation basis; or

(3) provides health and accident coverage through a risk pool created under Chapter

172, Local Government Code, notwithstanding Section 172.014, Local Government Code, or any other law.

Sec. 1451.452. EXCEPTION.

Sec. 1451.453. RULES.

Sec. 1451.454. LIMITS ON NONEMERGENCY TRANSPORTATION PROVIDERS.

(a) A health benefit plan may not provide coverage for nonemergency transportation services provided by a transportation service provider if the issuer of the plan has a financial relationship with the transportation service provider.

(b) Subsection (a) does not apply to transportation services provided in an area of the state in which there is only one transportation service provider available to provide the transportation service needed. A health benefit plan that provides coverage for transportation services under this subsection shall maintain documentation evidencing that no other provider is available to provide the service in the area.

Sec. 1451.455. LIMITS ON PAYMENTS.

A transportation service provider may not offer or make any payment or other form of remuneration, including any kickback, rebate, cash, gift, or service in kind, to the issuer of a health benefit plan for referrals to the provider, or for contracting with the provider, to provide nonemergency transportation services.

SECTION 2. The change in law made by this Act applies only to a health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2014. A plan delivered, issued for delivery, or renewed before January 1, 2014, is governed by the law in effect immediately before the effective date of this Act, and that law is continued in effect for that purpose.

172, Local Government Code, notwithstanding Section 172.014, Local Government Code, or any other law.

Sec. 1451.452. EXCEPTION.

Sec. 1451.453. RULES.

Sec. 1451.454. LIMITS ON NONEMERGENCY AMBULANCE TRANSPORTATION PROVIDERS. (a)

The issuer of a health benefit plan that provides coverage for nonemergency ambulance transportation services may not contract with a nonemergency ambulance transportation service provider who has a direct or indirect ownership interest in a transportation brokerage service that contracts with the plan and provides for the establishment of a nonemergency ambulance transportation network.

(b) Subsection (a) does not apply to nonemergency ambulance transportation services provided in an area of the state in which there is only one nonemergency ambulance transportation service provider available to provide the transportation service needed. A health benefit plan that provides coverage for nonemergency ambulance transportation services under this subsection shall maintain documentation evidencing that no other provider is available to provide the service in the area.

Sec. 1451.455. LIMITS ON PAYMENTS.

A transportation service provider may not offer or make any payment or other form of remuneration, including any kickback, rebate, cash, gift, or service in kind, to the issuer of a health benefit plan for referrals to the provider, or for contracting with the provider, to provide nonemergency ambulance transportation services.

SECTION 2. Same as introduced version.

SECTION 3. This Act takes effect
September 1, 2013.

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