

## **BILL ANALYSIS**

Senate Research Center

S.B. 365  
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Enrolled

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

Under Section 1301.0521 (Designation of Certain Podiatrists as Preferred Providers) of the Insurance Code, when a podiatrist joins the professional practice of a contracted preferred provider, the insurer must designate the podiatrist as a preferred provider upon the successful completion of the credentialing process. However, the average time period for the credentialing process is four to six months and, at times, up to one year.

The time delay caused by the credentialing process can be onerous on the applicant podiatrist and the professional practice because the applicant podiatrist cannot provide treatment to any enrollees until the credentialing process is complete. This harms the applicant podiatrist and the practice financially and causes patients to be inconvenienced because they must see another doctor in the practice who is already a participating provider. This is particularly difficult with an applicant podiatrist who is on call after hours.

Chapter 1452 (Physician and Provider Credentials), Insurance Code, provides an expedited credentialing process for a physician who joins an established medical group that has a current contract in force with a managed care plan. However, Chapter 1452 does not apply to a podiatrist who joins a professional practice that has a current contract in force with a managed care plan.

S.B. 365 amends the Insurance Code to provide an expedited credentialing process for a podiatrist who joins a professional practice that has a current contract in force with a managed care plan.

S.B. 365 amends current law relating to expedited credentialing for certain podiatrists and therapeutic optometrists providing services under a managed care plan.

### **RULEMAKING AUTHORITY**

This bill does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 1452, Insurance Code, by adding Subchapters D and E, as follows:

#### **SUBCHAPTER D. EXPEDITED CREDENTIALING PROCESS FOR CERTAIN PODIATRISTS**

Sec. 1452.151. DEFINITIONS. Defines "applicant podiatrist," "enrollee," "health care provider," "managed care plan," "participating provider," and "professional practice" for this subchapter.

Sec. 1452.152. APPLICABILITY. Provides that this subchapter applies only to a podiatrist who joins an established professional practice that has a current contract in force with a managed care plan.

Sec. 1452.153. ELIGIBILITY REQUIREMENTS. Requires an applicant podiatrist, to qualify for expedited credentialing under this subchapter and payment under Section 1452.154, to:

- (1) be licensed in this state by, and in good standing with, the Texas State Board of Podiatric Medical Examiners;
- (2) submit all documentation and other information required by the issuer of the managed care plan as necessary to enable the issuer to begin the credentialing process required by the issuer to include a podiatrist in the issuer's health benefit plan network; and
- (3) agree to comply with the terms of the managed care plan's participating provider contract currently in force with the applicant podiatrist's established professional practice.

Sec. 1452.154. PAYMENT OF APPLICANT PODIATRIST DURING CREDENTIALING PROCESS. Requires the issuer, on submission by the applicant podiatrist of the information required by the managed care plan issuer under Section 1452.153(2), and for payment purposes only, to treat the applicant podiatrist as if the podiatrist were a participating provider in the health benefit plan network when the applicant podiatrist provides services to the managed care plan's enrollees, including authorizing the applicant podiatrist to collect copayments from the enrollees and making payments to the applicant podiatrist.

Sec. 1452.155. DIRECTORY ENTRIES. Authorizes the managed care plan, pending the approval of an application submitted under Section 1452.154, to exclude the applicant podiatrist from the managed care plan's directory of participating podiatrists, the managed care plan's website listing of participating podiatrists, or any other listing of participating podiatrists.

Sec. 1452.156. EFFECT OF FAILURE TO MEET CREDENTIALING REQUIREMENTS. Provides that if, on completion of the credentialing process, the managed care plan issuer determines that the applicant podiatrist does not meet the issuer's credentialing requirements:

- (1) the managed care plan issuer is authorized to recover from the applicant podiatrist or the podiatrist's professional practice an amount equal to the difference between payments for in-network benefits and out-of-network benefits; and
- (2) the applicant podiatrist or the podiatrist's professional practice is authorized to retain any copayments collected or in the process of being collected as of the date of the issuer's determination.

Sec. 1452.157. ENROLLEE HELD HARMLESS. Provides that an enrollee in the managed care plan is not responsible and requires the enrollee to be held harmless for the difference between in-network copayments paid by the enrollee to a podiatrist who is determined to be ineligible under Section 1452.156 and the managed care plan's charges for out-of-network services. Prohibits the podiatrist and the podiatrist's professional practice from charging the enrollee for any portion of the podiatrist's fee that is not paid or reimbursed by the enrollee's managed care plan.

Sec. 1452.158. LIMITATION ON MANAGED CARE ISSUER LIABILITY. Provides that a managed care plan issuer that complies with this subchapter is not subject to liability for damages arising out of or in connection with, directly or indirectly, the payment by the issuer of an applicant podiatrist as if the podiatrist were a participating provider in the health benefit plan network.

## SUBCHAPTER E. EXPEDITED CREDENTIALING PROCESS FOR CERTAIN THERAPEUTIC OPTOMETRISTS

Sec. 1452.201. DEFINITIONS. Defines "applicant therapeutic optometrist," "enrollee," "health care provider," "managed care plan," "participating provider," and "professional practice" for this subchapter.

Sec. 1452.202. APPLICABILITY. Provides that this subchapter applies only to a therapeutic optometrist who joins an established professional practice that has a current contract in force with a managed care plan.

Sec. 1452.203. ELIGIBILITY REQUIREMENTS. Requires an applicant therapeutic optometrist, to qualify for expedited credentialing under this subchapter and payment under Section 1452.204, to:

- (1) be licensed in this state by, and in good standing with, the Texas Optometry Board;
- (2) submit all documentation and other information required by the issuer of the managed care plan as necessary to enable the issuer to begin the credentialing process required by the issuer to include a therapeutic optometrist in the issuer's health benefit plan network; and
- (3) agree to comply with the terms of the managed care plan's participating provider contract currently in force with the applicant therapeutic optometrist's established professional practice.

Sec. 1452.204. PAYMENT OF APPLICANT THERAPEUTIC OPTOMETRIST DURING CREDENTIALING PROCESS. Requires the issuer, on submission by the applicant therapeutic optometrist of the information required by the managed care plan issuer under Section 1452.203(2), and for payment purposes only, to treat the applicant therapeutic optometrist as if the therapeutic optometrist were a participating provider in the health benefit plan network when the applicant therapeutic optometrist provides services to the managed care plan's enrollees, including:

- (1) authorizing the applicant therapeutic optometrist to collect copayments from the enrollees; and
- (2) making payments to the applicant therapeutic optometrist.

Sec. 1452.205. DIRECTORY ENTRIES. Authorizes the managed care plan, pending the approval of an application submitted under Section 1452.204, to exclude the applicant therapeutic optometrist from the managed care plan's directory of participating therapeutic optometrists, the managed care plan's website listing of participating therapeutic optometrists, or any other listing of participating therapeutic optometrists.

Sec. 1452.206. EFFECT OF FAILURE TO MEET CREDENTIALING REQUIREMENTS. Provides that if, on completion of the credentialing process, the managed care plan issuer determines that the applicant therapeutic optometrist does not meet the issuer's credentialing requirements:

- (1) the managed care plan issuer is authorized to recover from the applicant therapeutic optometrist or the therapeutic optometrist's professional practice an amount equal to the difference between payments for in-network benefits and out-of-network benefits; and
- (2) the applicant therapeutic optometrist or the therapeutic optometrist's professional practice is authorized to retain any copayments collected or in the process of being collected as of the date of the issuer's determination.

Sec. 1452.207. ENROLLEE HELD HARMLESS. Provides that an enrollee in the managed care plan is not responsible and is required to be held harmless for the difference between in-network copayments paid by the enrollee to a therapeutic optometrist who is determined to be ineligible under Section 1452.206 and the managed care plan's charges for out-of-network services. Prohibits the therapeutic optometrist and the therapeutic optometrist's professional practice from charging the enrollee for any portion of the therapeutic optometrist's fee that is not paid or reimbursed by the enrollee's managed care plan.

Sec. 1452.208. LIMITATION ON MANAGED CARE ISSUER LIABILITY. Provides that a managed care plan issuer that complies with this subchapter is not subject to liability for damages arising out of or in connection with, directly or indirectly, the payment by the issuer of an applicant therapeutic optometrist as if the therapeutic optometrist were a participating provider in the health benefit plan network.

SECTION 2. Provides that the change in law made by this Act applies only to credentialing of a podiatrist or a therapeutic optometrist under a contract entered into or renewed by a professional practice and an issuer of a managed care plan on or after the effective date of this Act. Provides that a contract entered into or renewed before the effective date of this Act is governed by the law in effect immediately before that date, and that law is continued in effect for that purpose.

SECTION 3. Effective date: September 1, 2013.