By: S. Davis of Harris H.B. No. 1604

A BILL TO BE ENTITLED

AN ACT

relating to the creation of a standard request form for preauthorization of medical care or health care services.

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

SECTION 1. Subtitle F, Title 8, Insurance Code, is amended by adding Chapter 1468 to read as follows:

CHAPTER 1468. STANDARD REQUEST FORM FOR PREAUTHORIZATION OF MEDICAL CARE OR HEALTH CARE SERVICES

Sec. 1468.001. DEFINITION. In this chapter, "preauthorization" means a determination by an insurer that medical care or health care services proposed to be provided to a patient are medically necessary and appropriate.

Sec. 1468.002. APPLICABILITY OF CHAPTER. (a) This chapter applies only to a health benefit plan that provides benefits for medical or surgical expenses incurred as a result of a health condition, accident, or sickness, including an individual, group, blanket, or franchise insurance policy or insurance agreement, a group hospital service contract, or a small or large employer group contract or similar coverage document that is offered by:

(1) an insurance company;

(2) a group hospital service corporation operating under Chapter 842;

(3) a fraternal benefit society operating under Chapter 885;

(4) a stipulated premium company operating under Chapter 884;

(5) a reciprocal exchange operating under Chapter 942;

(6) a health maintenance organization operating under Chapter 843;

(7) a multiple employer welfare arrangement that holds a certificate of authority under Chapter 846; or

(8) an approved nonprofit health corporation that holds a certificate of authority under Chapter 844.

(b) This chapter applies to group health coverage made available by a school district in accordance with Section 22.004, Education Code.

(c) Notwithstanding Section 172.014, Local Government Code, or any other law, this chapter applies to health and accident coverage provided by a risk pool created under Chapter 172, Local Government Code.

(d) Notwithstanding any provision in Chapter 1551, 1575, 1579, or 1601 or any other law, this chapter applies to:

(1) a basic coverage plan under Chapter 1551;

(2) a basic plan under Chapter 1575;

(3) a primary care coverage plan under Chapter 1579; and

(4) basic coverage under Chapter 1601.

(e) Notwithstanding any other law, this chapter applies to medical benefits provided to an injured employee under a workers' compensation insurance policy or otherwise under Title 5, Labor Code.

(f) Notwithstanding any other law, this chapter applies to coverage under:

(1) the child health plan program under Chapter 62, Health and Safety Code, or the health benefits plan for children under Chapter 63, Health and Safety Code; and

(2) the medical assistance program under Chapter 32, Human Resources Code.

Sec. 1468.003. EXCEPTION. This chapter does not apply to:

(1) a health benefit plan that provides coverage:

(A) only for a specified disease or for another single benefit;

(B) only for accidental death or dismemberment;

(C) for wages or payments in lieu of wages for a period during which an employee is absent from work because of sickness or injury;

(D) as a supplement to a liability insurance policy;

(E) for credit insurance;

(F) only for dental or vision care;

(G) only for hospital expenses; or

(H) only for indemnity for hospital confinement;

(2) a Medicare supplemental policy as defined by Section 1882(g)(1), Social Security Act (42 U.S.C. Section 1395ss);

(3) medical payment insurance coverage provided under a motor vehicle insurance policy; or

(4) a long-term care insurance policy, including a nursing home fixed indemnity policy, unless the commissioner

determines that the policy provides benefit coverage so comprehensive that the policy is a health benefit plan as described by Section 1468.002.

Sec. 1468.004. STANDARD FORM. (a) The commissioner by rule shall:

(1) prescribe a single, standard form for requesting preauthorization of medical care or health care services;

(2) require a health benefit plan issuer or the agent of the health benefit plan issuer that manages or administers health benefits to use the form for any preauthorization required by the plan of medical care or health care services;

(3) require that the department and a health benefit plan issuer or the agent of the health benefit plan issuer that manages or administers health benefits make the form available electronically; and

(4) allow a completed form to be submitted electronically by the requesting provider to the health benefit plan issuer or the agent of the health benefit plan issuer that manages or administers health benefits.

(b) In prescribing a form under this section, the commissioner shall:

(1) limit the form, as printed, to not more than two pages;

(2) develop the form with input from the advisory committee on uniform preauthorization forms established under Section 1468.005; and

(3) take into consideration:

(A) any form for requesting preauthorization of benefits that is widely used in this state or any form currently used by the department;

(B) request forms for preauthorization of benefits established by the federal Centers for Medicare and Medicaid Services; and

(C) national standards, or draft standards, pertaining to electronic preauthorization of benefits.

Sec. 1468.005. ADVISORY COMMITTEE ON UNIFORM PREAUTHORIZATION FORMS. (a) The commissioner shall appoint a committee to advise the commissioner on the technical, operational, and practical aspects of developing the single, standard preauthorization form required under Section 1468.004 for requesting preauthorization of medical care or health care services.

(b) The commissioner shall consult the committee with respect to any rule relating to a subject described by Section 1468.004 before adopting the rule.

(c) The committee shall be composed of an equal number of members from each of the following groups:

(1) physicians;

(2) other health care providers;

(3) hospitals; and

(4) medical directors of health benefit plans.

(d) A member of the advisory committee serves without compensation.

(e) Section 39.003(a) of this code and Chapter 2110,

Government Code, do not apply to the advisory committee.

Sec. 1468.006. FAILURE TO USE OR RESPOND TO STANDARD FORM. If a health benefit plan issuer or the agent of the health benefit plan issuer that manages or administers health benefits fails to use or accept the form prescribed under this chapter or fails to timely respond to a completed form submitted by a requesting provider, the preauthorization of medical care or health care services is considered granted by the health benefit plan.

SECTION 2. Not later than January 1, 2014, the commissioner of insurance by rule shall prescribe a standard form under Section 1468.006, Insurance Code, as added by this Act.

SECTION 3. The change in law made by this Act applies only to a request for preauthorization of medical care or health care services made on or after March 1, 2014. A request for preauthorization of medical care or health care services made before March 1, 2014, under a health benefit plan delivered, issued for delivery, or renewed before that date 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.

SECTION 4. This Act takes effect September 1, 2013.