

By: Deuell

S.B. No. 257

A BILL TO BE ENTITLED

AN ACT

relating to notice of inaccurate payment or nonpayment of certain claims under certain health benefit plans.

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

SECTION 1. Subchapter C, Chapter 1301, Insurance Code, is amended by adding Section 1301.110 to read as follows:

Sec. 1301.110. NOTICE OF NONPAYMENT OR INACCURATE PAYMENT OF CLAIM FROM PREFERRED PROVIDER. (a) A preferred provider that asserts that a claim for medical care or health care services, including a claim for payment of the amount due for any disallowed discount on the service or supply provided or any additional payment due after the completion of an audit under this subchapter, has not been timely or accurately paid shall, not later than the 180th day after the earlier of the date the preferred provider received payment or the date that payment was due, provide written notification of the nonpayment or inaccuracy to the insurer or the person with whom the insurer contracts to process or pay claims, if any, or, in the case of a self-funded or self-insured employee benefit plan, to the employer or the person with whom the employer contracts to process or pay claims, if any.

(b) If the preferred provider or the preferred provider's agent or assignee fails to provide the notification required by this section before the 180th day, the preferred provider, agent, or assignee is barred from asserting the claim of nonpayment or

1 inaccuracy.

2 (c) The notification required by this section does not
3 affect any deadline for filing a claim or for instituting any cause
4 of action based on the payment or nonpayment of a claim.

5 SECTION 2. This Act applies only to a claim made under a
6 health insurance policy or self-funded or self-insured employee
7 welfare benefit plan that is delivered, issued for delivery, or
8 renewed on or after January 1, 2014. A claim made under a health
9 insurance policy or self-funded or self-insured employee welfare
10 benefit plan delivered, issued for delivery, or renewed before
11 January 1, 2014, is governed by the law as it existed immediately
12 before the effective date of this Act, and that law is continued in
13 effect for that purpose.

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