

# SENATE AMENDMENTS

2<sup>nd</sup> Printing

By: Turner of Tarrant

H.B. No. 2645

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to certification and operation of independent review  
3 organizations.

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

5 SECTION 1. Section 4202.002, Insurance Code, is amended by  
6 amending Subsection (c) and adding Subsections (d), (e), and (f) to  
7 read as follows:

8 (c) In addition to the standards described by Subsection  
9 (b), the commissioner shall adopt standards and rules that:

10 (1) prohibit:

11 (A) more than one independent review  
12 organization from operating out of the same office or other  
13 facility;

14 (B) an individual or entity from owning more than  
15 one independent review organization;

16 (C) an individual from owning stock in or serving  
17 on the board of more than one independent review organization;

18 (D) an individual who has served on the board of  
19 an independent review organization whose certification was revoked  
20 for cause from serving on the board of another independent review  
21 organization before the fifth anniversary of the date on which the  
22 revocation occurred;

23 (E) an individual who serves as an officer,  
24 director, manager, executive, or supervisor of an independent

1 review organization from serving as an officer, director, manager,  
2 executive, supervisor, employee, agent, or independent contractor  
3 of another independent review organization [~~an attorney who is, or~~  
4 ~~has in the past served as, the registered agent for an independent~~  
5 ~~review organization from representing the independent review~~  
6 ~~organization in legal proceedings~~]; and

7 (F) an independent review organization from:

8 (i) publicly disclosing [~~confidential~~]  
9 patient information protected by the Health Insurance Portability  
10 and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.); or

11 (ii) transmitting the information to a  
12 subcontractor involved in the independent review process that has  
13 not signed an agreement similar to the business associate agreement  
14 required by regulations adopted under the Health Insurance  
15 Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d  
16 et seq.) [~~, except to a provider who is under contract to perform~~  
17 ~~the review~~]; and

18 (2) require:

19 (A) an independent review organization to:

20 (i) maintain a physical address and a  
21 mailing address in this state;

22 (ii) be incorporated in this state;

23 (iii) be in good standing with the  
24 comptroller; and

25 (iv) be based and certified in this state  
26 and to locate the organization's primary offices in this state;

27 (B) an independent review organization to

1 ~~[voluntarily]~~ surrender the organization's certification ~~[while~~  
2 ~~the organization is under investigation or]~~ as part of an agreed  
3 order; and

4 (C) an independent review organization to:

5 (i) notify the department of an agreement  
6 to sell the organization or shares in the organization;

7 (ii) not later than the 60th day before the  
8 date of the sale, submit the name of the purchaser and a complete  
9 and legible set of fingerprints for each officer of the purchaser  
10 and for each owner or shareholder of the purchaser or, if the  
11 purchaser is publicly held, each owner or shareholder described by  
12 Section 4202.004(a)(1), and any additional information necessary  
13 to comply with Section 4202.004(d); and

14 (iii) complete the transfer of ownership  
15 after the department has sent written confirmation in accordance  
16 with Subsection (d) that the requirements of this chapter have been  
17 satisfied ~~[apply for and receive a new certification after the~~  
18 ~~organization is sold to a new owner]~~.

19 (d) The department shall send the written confirmation  
20 required by Subsection (c)(2)(C)(iii) not later than the expiration  
21 of the fourth week after the date the department determines the  
22 requirements are satisfied.

23 (e) Standards to ensure the confidentiality of medical  
24 records transmitted to an independent review organization under  
25 Subsection (b)(2) must require organizations and utilization  
26 review agents to transmit and store records in compliance with the  
27 Health Insurance Portability and Accountability Act of 1996 (42

1 U.S.C. Section 1320d et seq.) and the regulations and standards  
2 adopted under that Act.

3 (f) The commissioner shall adopt standards requiring that:

4 (1) on application for certification, an officer of  
5 the organization attest that the office is located at a physical  
6 address;

7 (2) the office be equipped with a computer system  
8 capable of:

9 (A) processing requests for independent review;  
10 and

11 (B) accessing all electronic records related to  
12 the review and the independent review process;

13 (3) all records be maintained electronically and made  
14 available to the department on request; and

15 (4) in the case of an office located in a residence,  
16 the working office be located in a room set aside for independent  
17 review business purposes and in a manner to ensure confidentiality  
18 in accordance with Subsection (e).

19 SECTION 2. Section 4202.003, Insurance Code, is amended to  
20 read as follows:

21 Sec. 4202.003. REQUIREMENTS REGARDING TIMELINESS OF  
22 DETERMINATION. The standards adopted under Section 4202.002 must  
23 require each independent review organization to make the  
24 organization's determination:

25 (1) for a life-threatening condition as defined by  
26 Section 4201.002, not later than the earlier of [+

27 [~~(A)~~] the third [~~fifth~~] day after the date the

1 organization receives the information necessary to make the  
2 determination[+] or, with respect to:

3 (A) a review of a health care service provided to  
4 a person eligible for workers' compensation medical benefits,  
5 [~~(B)~~] the eighth day after the date the organization receives the  
6 request that the determination be made; or

7 (B) a review of a health care service other than a  
8 service described by Paragraph (A), the third day after the date the  
9 organization receives the request that the determination be made;  
10 or [~~and~~]

11 (2) for a condition other than a life-threatening  
12 condition, not later than the earlier of:

13 (A) the 15th day after the date the organization  
14 receives the information necessary to make the determination; or

15 (B) the 20th day after the date the organization  
16 receives the request that the determination be made.

17 SECTION 3. Section 4202.004, Insurance Code, is amended to  
18 read as follows:

19 Sec. 4202.004. CERTIFICATION. (a) To be certified as an  
20 independent review organization under this chapter, an  
21 organization must submit to the commissioner an application in the  
22 form required by the commissioner. The application must include:

23 (1) for an applicant that is publicly held, the name of  
24 each shareholder or owner of more than five percent of any of the  
25 applicant's stock or options;

26 (2) the name of any holder of the applicant's bonds or  
27 notes that exceed \$100,000;

1           (3) the name and type of business of each corporation  
2 or other organization described by Subdivision (4) that the  
3 applicant controls or is affiliated with and the nature and extent  
4 of the control or affiliation;

5           (4) the name and a biographical sketch of each  
6 director, officer, and executive of the applicant and of any entity  
7 listed under Subdivision (3) and a description of any relationship  
8 the applicant or the named individual has with:

- 9                   (A) a health benefit plan;
- 10                   (B) a health maintenance organization;
- 11                   (C) an insurer;
- 12                   (D) a utilization review agent;
- 13                   (E) a nonprofit health corporation;
- 14                   (F) a payor;
- 15                   (G) a health care provider; [~~or~~]
- 16                   (H) a group representing any of the entities  
17 described by Paragraphs (A) through (G); or
- 18                   (I) any other independent review organization in  
19 the state;

20           (5) the percentage of the applicant's revenues that  
21 are anticipated to be derived from independent reviews conducted  
22 under Subchapter I, Chapter 4201;

23           (6) a description of:

24                   (A) the areas of expertise of the physicians or  
25 other health care providers making review determinations for the  
26 applicant;

27                   (B) the procedures used by the applicant to

1 verify physician and provider credentials, including the computer  
2 processes, electronic databases, and records, if any, used; and

3 (C) the software used by the credentialing  
4 manager for managing the processes, databases, and records  
5 described by Paragraph (B); ~~and~~

6 (7) the procedures to be used by the applicant in  
7 making independent review determinations under Subchapter I,  
8 Chapter 4201; and

9 (8) a description of the applicant's use of  
10 communications, records, and computer processes to manage the  
11 independent review process.

12 (b) The commissioner shall establish certifications for  
13 independent review of health care services provided to persons  
14 eligible for workers' compensation medical benefits and other  
15 health care services after considering accreditation, if any, by a  
16 nationally recognized accrediting organization that imposes  
17 requirements for accreditation that are the same as, substantially  
18 similar to, or more stringent than the department's requirements  
19 for accreditation.

20 (c) The department shall make available to applicants  
21 applications for certification to review health care services  
22 provided to persons eligible for workers' compensation medical  
23 benefits and other health care services.

24 (d) The commissioner shall require that each officer of the  
25 applicant and each owner or shareholder of the applicant or, if the  
26 purchaser is publicly held, each owner or shareholder described by  
27 Subsection (a)(1) submit a complete and legible set of fingerprints

1 to the department for the purpose of obtaining criminal history  
2 record information from the Department of Public Safety and the  
3 Federal Bureau of Investigation. The department shall conduct a  
4 criminal history check of each applicant using information:

5 (1) provided under this section; and

6 (2) made available to the department by the Department  
7 of Public Safety, the Federal Bureau of Investigation, and any  
8 other criminal justice agency under Chapter 411, Government Code.

9 (e) An application for certification for review of health  
10 care services must require an organization that is accredited by an  
11 organization described by Subsection (b) to provide the department  
12 evidence of the accreditation. The commissioner shall consider the  
13 evidence if the accrediting organization published and made  
14 available to the commissioner the organization's requirements for  
15 and methods used in the accreditation process. An independent  
16 review organization that is accredited by an organization described  
17 by Subsection (b) may request that the department expedite the  
18 application process.

19 (f) A certified independent review organization that  
20 becomes accredited by an organization described by Subsection (b)  
21 may provide evidence of that accreditation to the department that  
22 shall be maintained in the department's file related to the  
23 independent review organization's certification.

24 (g) Certification must be renewed biennially.

25 SECTION 4. Section 4202.005, Insurance Code, is amended to  
26 read as follows:

27 Sec. 4202.005. PERIODIC REPORTING OF INFORMATION; BIENNIAL



1 ~~[ANNUAL]~~ DESIGNATION; UPDATES AND INSPECTION. (a) An independent  
2 review organization shall biennially ~~[annually]~~ submit the  
3 information required in an application for certification under  
4 Section 4202.004. Anytime there is a material change in the  
5 information the organization included in the application, the  
6 organization shall submit updated information to the commissioner.

7 (b) The commissioner shall designate biennially ~~[annually]~~  
8 each organization that meets the standards for an independent  
9 review organization adopted under Section 4202.002.

10 (c) Information regarding a material change must be  
11 submitted on a form adopted by the commissioner not later than the  
12 30th day after the date the material change occurs. If the material  
13 change is a relocation of the organization:

14 (1) the organization must inform the department that  
15 the location is available for inspection before the date of the  
16 relocation by the department; and

17 (2) on request of the department, an officer shall  
18 attend the inspection.

19 SECTION 5. Chapter 4202, Insurance Code, is amended by  
20 adding Sections 4202.011 and 4202.012 to read as follows:

21 Sec. 4202.011. ADVISORY GROUP. (a) The commissioner shall  
22 establish a group to advise the department and make recommendations  
23 related to the efficiency of independent review.

24 (b) The commissioner shall appoint as a member of the group  
25 a department employee to report to the commissioner group  
26 recommendations and policies. The commissioner shall appoint as  
27 members of the group individuals who have applied for membership,

1 including:

2 (1) two officers of different independent review  
3 organizations certified under this chapter;

4 (2) an officer of a utilization review organization  
5 certified under Chapter 4201;

6 (3) an officer or representative of an association of  
7 physicians with knowledge of and interest in the independent review  
8 process;

9 (4) an officer or representative of an association of  
10 insurance carriers with knowledge of and interest in the  
11 independent review process; and

12 (5) two officers or representatives of different  
13 patient advocacy associations with knowledge of and interest in the  
14 independent review process.

15 (c) A recommendation of the advisory group does not bind the  
16 commissioner.

17 (d) Members of the group serve two-year terms. The  
18 commissioner shall appoint a replacement member in the event of a  
19 vacancy to serve the remainder of the unexpired term.

20 (e) The commissioner shall designate one member to serve as  
21 presiding member of the group. A member may serve more than one  
22 term as presiding member.

23 (f) The advisory group shall meet annually and otherwise at  
24 the request of the presiding member or the commissioner. The group  
25 shall make recommendations at least annually to the commissioner.

26 (g) A member of the group may not receive compensation for  
27 service as a group member.

1       Sec. 4202.012. REFERRAL. The commissioner by rule shall  
2 require referral by random assignment of adverse determinations  
3 under Subchapter I, Chapter 4201, to independent review  
4 organizations. On referral of a determination, the commissioner  
5 shall notify:

6           (1) the utilization review agent;

7           (2) the payor;

8           (3) the independent review organization;

9           (4) the patient, as defined by Section 4201.002, or  
10 the patient's representative; and

11           (5) the provider of record as defined by Section  
12 4201.002.

13       SECTION 6. Chapter 4202, Insurance Code, as amended by this  
14 Act, applies only to an independent review organization that  
15 applies for an initial certification or renewal certification on or  
16 after January 1, 2014. An organization certified before that date  
17 is governed by the law as it existed immediately before the  
18 effective date of this Act, and that law is continued in effect for  
19 that purpose.

20       SECTION 7. This Act takes effect September 1, 2013.

ADOPTED

MAY 22 2013

*Henry Gust*  
Secretary of State

By: *Rodney Ellis*

H.B. No. 2645

Substitute the following for \_\_\_B. No. \_\_\_\_\_:

By: *Rodney Ellis*

C.S. \_\_\_B. No. \_\_\_\_\_

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13 facility;

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17 on the board of more than one independent review organization;

18 (D) an individual who has served on the board of  
19 an independent review organization whose certification was revoked  
20 for cause from serving on the board of another independent review  
21 organization before the fifth anniversary of the date on which the  
22 revocation occurred;

23 (E) an individual who serves as an officer,  
24 director, manager, executive, or supervisor of an independent

1 review organization from serving as an officer, director, manager,  
2 executive, supervisor, employee, agent, or independent contractor  
3 of another independent review organization [~~an attorney who is, or~~  
4 ~~has in the past served as, the registered agent for an independent~~  
5 ~~review organization from representing the independent review~~  
6 ~~organization in legal proceedings~~]; and

7 (F) an independent review organization from:

8 (i) publicly disclosing [~~confidential~~]  
9 patient information protected by the Health Insurance Portability  
10 and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.); or

11 (ii) transmitting the information to a  
12 subcontractor involved in the independent review process that has  
13 not signed an agreement similar to the business associate agreement  
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15 Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d  
16 et seq.) [~~, except to a provider who is under contract to perform~~  
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21 mailing address in this state;

22 (ii) be incorporated in this state;

23 (iii) be in good standing with the  
24 comptroller; and

25 (iv) be based and certified in this state  
26 and to locate the organization's primary offices in this state;

27 (B) an independent review organization to

1 ~~[voluntarily]~~ surrender the organization's certification ~~[while~~  
2 ~~the organization is under investigation or]~~ as part of an agreed  
3 order; and

4 (C) an independent review organization to:

5 (i) notify the department of an agreement  
6 to sell the organization or shares in the organization;

7 (ii) not later than the 60th day before the  
8 date of the sale, submit the name of the purchaser and a complete  
9 and legible set of fingerprints for each officer of the purchaser  
10 and for each owner or shareholder of the purchaser or, if the  
11 purchaser is publicly held, each owner or shareholder described by  
12 Section 4202.004(a)(1), and any additional information necessary  
13 to comply with Section 4202.004(d); and

14 (iii) complete the transfer of ownership  
15 after the department has sent written confirmation in accordance  
16 with Subsection (d) that the requirements of this chapter have been  
17 satisfied ~~[apply for and receive a new certification after the~~  
18 ~~organization is sold to a new owner].~~

19 (d) The department shall send the written confirmation  
20 required by Subsection (c)(2)(C)(iii) not later than the expiration  
21 of the fourth week after the date the department determines the  
22 requirements are satisfied.

23 (e) Standards to ensure the confidentiality of medical  
24 records transmitted to an independent review organization under  
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26 review agents to transmit and store records in compliance with the  
27 Health Insurance Portability and Accountability Act of 1996 (42

1 U.S.C. Section 1320d et seq.) and the regulations and standards  
2 adopted under that Act.

3 (f) The commissioner shall adopt standards requiring that:

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5 the organization attest that the office is located at a physical  
6 address;

7 (2) the office be equipped with a computer system  
8 capable of:

9 (A) processing requests for independent review;  
10 and

11 (B) accessing all electronic records related to  
12 the review and the independent review process;

13 (3) all records be maintained electronically and made  
14 available to the department on request; and

15 (4) in the case of an office located in a residence,  
16 the working office be located in a room set aside for independent  
17 review business purposes and in a manner to ensure confidentiality  
18 in accordance with Subsection (e).

19 SECTION 2. Section 4202.003, Insurance Code, is amended to  
20 read as follows:

21 Sec. 4202.003. REQUIREMENTS REGARDING TIMELINESS OF  
22 DETERMINATION. The standards adopted under Section 4202.002 must  
23 require each independent review organization to make the  
24 organization's determination:

25 (1) for a life-threatening condition as defined by  
26 Section 4201.002, not later than the earlier of [+

27 [~~(A)~~] the third [~~fifth~~] day after the date the

1 organization receives the information necessary to make the  
2 determination[+] or, with respect to:

3 (A) a review of a health care service provided to  
4 a person eligible for workers' compensation medical benefits,  
5 ~~[(B)]~~ the eighth day after the date the organization receives the  
6 request that the determination be made; or

7 (B) a review of a health care service other than a  
8 service described by Paragraph (A), the third day after the date the  
9 organization receives the request that the determination be made;  
10 or [and]

11 (2) for a condition other than a life-threatening  
12 condition, not later than the earlier of:

13 (A) the 15th day after the date the organization  
14 receives the information necessary to make the determination; or

15 (B) the 20th day after the date the organization  
16 receives the request that the determination be made.

17 SECTION 3. Section 4202.004, Insurance Code, is amended to  
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20 independent review organization under this chapter, an  
21 organization must submit to the commissioner an application in the  
22 form required by the commissioner. The application must include:

23 (1) for an applicant that is publicly held, the name of  
24 each shareholder or owner of more than five percent of any of the  
25 applicant's stock or options;

26 (2) the name of any holder of the applicant's bonds or  
27 notes that exceed \$100,000;



1                   (3) the name and type of business of each corporation  
2 or other organization described by Subdivision (4) that the  
3 applicant controls or is affiliated with and the nature and extent  
4 of the control or affiliation;

5                   (4) the name and a biographical sketch of each  
6 director, officer, and executive of the applicant and of any entity  
7 listed under Subdivision (3) and a description of any relationship  
8 the applicant or the named individual has with:

9                   (A) a health benefit plan;

10                   (B) a health maintenance organization;

11                   (C) an insurer;

12                   (D) a utilization review agent;

13                   (E) a nonprofit health corporation;

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16                   (H) a group representing any of the entities  
17 described by Paragraphs (A) through (G); or

18                   (I) any other independent review organization in  
19 the state;

20                   (5) the percentage of the applicant's revenues that  
21 are anticipated to be derived from independent reviews conducted  
22 under Subchapter I, Chapter 4201;

23                   (6) a description of:

24                   (A) the areas of expertise of the physicians or  
25 other health care providers making review determinations for the  
26 applicant;

27                   (B) the procedures used by the applicant to

1 verify physician and provider credentials, including the computer  
2 processes, electronic databases, and records, if any, used; and

3 (C) the software used by the credentialing  
4 manager for managing the processes, databases, and records  
5 described by Paragraph (B); [and]

6 (7) the procedures to be used by the applicant in  
7 making independent review determinations under Subchapter I,  
8 Chapter 4201; and

9 (8) a description of the applicant's use of  
10 communications, records, and computer processes to manage the  
11 independent review process.

12 (b) The commissioner shall establish certifications for  
13 independent review of health care services provided to persons  
14 eligible for workers' compensation medical benefits and other  
15 health care services after considering accreditation, if any, by a  
16 nationally recognized accrediting organization that imposes  
17 requirements for accreditation that are the same as, substantially  
18 similar to, or more stringent than the department's requirements  
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21 applications for certification to review health care services  
22 provided to persons eligible for workers' compensation medical  
23 benefits and other health care services.

24 (d) The commissioner shall require that each officer of the  
25 applicant and each owner or shareholder of the applicant or, if the  
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27 Subsection (a)(1) submit a complete and legible set of fingerprints

1 to the department for the purpose of obtaining criminal history  
2 record information from the Department of Public Safety and the  
3 Federal Bureau of Investigation. The department shall conduct a  
4 criminal history check of each applicant using information:

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23 independent review organization's certification.

24 (g) Certification must be renewed biennially.

25 SECTION 4. Section 4202.005, Insurance Code, is amended to  
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3 information required in an application for certification under  
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21 as follows:

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9 process;

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22 presiding member of the group. A member may serve more than one  
23 term as presiding member.

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8 (2) the payor;

9 (3) the independent review organization;

10 (4) the patient, as defined by Section 4201.002, or  
11 the patient's representative; and

12 (5) the provider of record as defined by Section  
13 4201.002.

14 Sec. 4202.013. PRIMARY OFFICE IN THIS STATE REQUIRED. An  
15 independent review organization operating under this chapter must  
16 maintain the organization's primary office in this state.

17 Sec. 4202.014. PREEMPTION. The commissioner shall suspend  
18 enforcement of any provision of this chapter that the commissioner  
19 determines to be preempted by 42 U.S.C. Section 300gg-19.

20 SECTION 6. Chapter 4202, Insurance Code, as amended by this  
21 Act, applies only to an independent review organization that  
22 applies for an initial certification or renewal certification on or  
23 after January 1, 2014. An organization certified before that date  
24 is governed by the law as it existed immediately before the  
25 effective date of this Act, and that law is continued in effect for  
26 that purpose.

27 SECTION 7. This Act takes effect September 1, 2013.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 23, 2013**

**TO:** Honorable Joe Straus, Speaker of the House, House of Representatives

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2645** by Turner, Chris (Relating to certification and operation of independent review organizations.), **As Passed 2nd House**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Insurance Code relating to certification and operation of independent review organizations. The bill would change the certification requirements for independent review organizations and require the Commissioner of Insurance to appoint an advisory committee to advise the Texas Department of Insurance (TDI) on changes to be made to the rules and processes, at a minimum of once a year.

Based on information provided by TDI, it is assumed that any costs associated with the implementation of this bill would be absorbed within existing staff and resources. Also, based on information provided by TDI, this analysis assumes that implementation of the bill would result in a net revenue gain of \$23,400 annually in General Revenue-Dedicated Texas Department of Insurance Fund 36 from certification fees. Since General Revenue-Dedicated Texas Department of Insurance Fund 36 is a self-leveling account, this analysis also assumes that any additional revenue resulting from the implementation of the bill would accumulate in account fund balances and that the department would adjust the assessment of the maintenance tax or other fees accordingly in the following year.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** UP, SD, AG, ER

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 17, 2013**

**TO:** Honorable Robert Duncan, Chair, Senate Committee on State Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2645** by Turner, Chris (Relating to certification and operation of independent review organizations.), **Committee Report 2nd House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Insurance Code relating to certification and operation of independent review organizations. The bill would change the certification requirements for independent review organizations and require the Commissioner of Insurance to appoint an advisory committee to advise the Texas Department of Insurance (TDI) on changes to be made to the rules and processes, at a minimum of once a year.

Based on information provided by TDI, it is assumed that any costs associated with the implementation of this bill would be absorbed within existing staff and resources. Also, based on information provided by TDI, this analysis assumes that implementation of the bill would result in a net revenue gain of \$23,400 annually in General Revenue-Dedicated Texas Department of Insurance Fund 36 from certification fees. Since General Revenue-Dedicated Texas Department of Insurance Fund 36 is a self-leveling account, this analysis also assumes that any additional revenue resulting from the implementation of the bill would accumulate in account fund balances and that the department would adjust the assessment of the maintenance tax or other fees accordingly in the following year.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** UP, AG, ER



**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**May 15, 2013**

**TO:** Honorable Robert Duncan, Chair, Senate Committee on State Affairs

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2645** by Turner, Chris (Relating to certification and operation of independent review organizations.), **As Engrossed**

**No significant fiscal implication to the State is anticipated.**

The bill would amend the Insurance Code relating to certification and operation of independent review organizations. The bill would change the certification requirements for independent review organizations and require the Commissioner of Insurance to appoint an advisory committee to advise the Texas Department of Insurance (TDI) on changes to be made to the rules and processes, at a minimum of once a year.

Based on information provided by TDI, it is assumed that any costs associated with the implementation of this bill would be absorbed within existing staff and resources. Also, based on information provided by TDI, this analysis assumes that implementation of the bill would result in a net revenue gain of \$23,400 annually in General Revenue-Dedicated Texas Department of Insurance Fund 36 from certification fees. Since General Revenue-Dedicated Texas Department of Insurance Fund 36 is a self-leveling account, this analysis also assumes that any additional revenue resulting from the implementation of the bill would accumulate in account fund balances and that the department would adjust the assessment of the maintenance tax or other fees accordingly in the following year.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** UP, AG, ER

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 24, 2013**

**TO:** Honorable John T. Smithee, Chair, House Committee on Insurance

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2645** by Turner, Chris (Relating to certification and operation of independent review organizations.), **Committee Report 1st House, Substituted**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Insurance Code relating to certification and operation of independent review organizations. The bill would change the certification requirements for independent review organizations and require the Commissioner of Insurance to appoint an advisory committee to advise the Texas Department of Insurance (TDI) on changes to be made to the rules and processes, at a minimum of once a year.

Based on information provided by TDI, it is assumed that any costs associated with the implementation of this bill would be absorbed within existing staff and resources. Also, based on information provided by TDI, this analysis assumes that implementation of the bill would result in a net revenue gain of \$23,400 annually in General Revenue-Dedicated Texas Department of Insurance Fund 36 from certification fees. Since General Revenue-Dedicated Texas Department of Insurance Fund 36 is a self-leveling account, this analysis also assumes that any additional revenue resulting from the implementation of the bill would accumulate in account fund balances and that the department would adjust the assessment of the maintenance tax or other fees accordingly in the following year.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** UP, AG, ER

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 83RD LEGISLATIVE REGULAR SESSION**

**April 1, 2013**

**TO:** Honorable John T. Smithee, Chair, House Committee on Insurance

**FROM:** Ursula Parks, Director, Legislative Budget Board

**IN RE: HB2645** by Turner, Chris (Relating to certification and operation of independent review organizations.), **As Introduced**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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The bill would amend the Insurance Code relating to certification and operation of independent review organizations. The bill would change the certification requirements for independent review organizations and require the Commissioner of Insurance to appoint an advisory committee to advise the Texas Department of Insurance (TDI) on changes to be made to the rules and processes, at a minimum of once a year.

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**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 454 Department of Insurance

**LBB Staff:** UP, AG, ER