BILL ANALYSIS

Senate Research Center

H.B. 1621
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Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

Under current law, a utilization review agent must provide an insured or a person acting on the insured's behalf with notice of an adverse determination made in relation to coverage or benefits under a health insurance policy or health benefit plan. The insured or person acting on the insured's behalf may appeal the adverse determination decision and may request an independent review of a final adverse determination. However, during the appeal, the contested treatment is not covered by the insurer, forcing the insured to pay for the treatment out-of-pocket or go without treatment.

H.B. 1621 seeks to address this concern by proposing changes to the law regarding notice, appeal, and independent review of an adverse determination by a utilization review agent.

H.B. 1621 amends current law relating to utilization review and notice and appeal of certain adverse determinations by utilization review agents.

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 Section 4201.053, Insurance Code, as follows:

Sec. 4201.053. New heading: MEDICAID AND OTHER STATE HEALTH OR MENTAL HEALTH PROGRAMS. (a) Creates this subsection from existing text and changes a reference to mental retardation services to intellectual disability services.

(b) Provides that Sections 4201.304(b), 4201.3555, and 4201.404 do not apply to:

(1) the child health program under Chapter 62 (Child Health Plan for Certain Low-Income Children), Health and Safety Code, or the health benefits plan for children under Chapter 63 (Health Benefits Plan for Certain Children), Health and Safety Code;

(2) the Employees Retirement System of Texas or another entity issuing or administering a coverage plan under Chapter 1551 (Texas Employees Group Benefits Act);

(3) the Teacher Retirement System of Texas or another entity issuing or administering a plan under Chapter 1575 (Texas Public School Employees Group Benefits Program) or 1579 (Texas School Employees Uniform Group Health Coverage); and

(4) The Texas A&M University System or The University of Texas System or another entity issuing or administering coverage under Chapter 1601 (Uniform Insurance Benefits Act for Employees of The University of Texas System and The Texas A&M University System).

SECTION 2. Amends Section 4201.054, Insurance Code, by adding Subsection (b) to provide that Sections 4201.304(b), 4201.3555, and 4201.404 do not apply to utilization review of a health care service provided to a person eligible for workers' compensation benefits under Title 5 (Workers' Compensation), Labor Code.

SECTION 3. Amends Section 4201.304, Insurance Code, as follows:

Sec. 4201.304. TIME FOR NOTICE OF ADVERSE DETERMINATION. (a) Creates this subsection from existing text. Requires a utilization review agent, subject to Subsection (b), to provide notice of an adverse determination required by this subchapter as follows:

(1)-(3) Makes no change to these subdivisions.

(b) Requires a utilization review agent to provide notice of an adverse determination for a concurrent review of the provision of prescription drugs or intravenous infusions not later than the 30th day before the date on which the provision of prescription drugs or intravenous infusions will be discontinued.

SECTION 4. Amends Subchapter H, Chapter 4201, Insurance Code, by adding Section 4201.3555, as follows:

Sec. 4201.3555. CONTINUATION OF CONCURRENT PROVISION OF PRESCRIPTION DRUGS OR INTRAVENOUS INFUSIONS. Requires that the procedures for appealing an adverse determination for a concurrent review of the provision of prescription drugs or intravenous infusions provide that:

(1) coverage or benefits for the contested prescription drugs or intravenous infusions that are the basis of the adverse determination continue under the enrollee's health insurance policy or health benefit plan while the appeal is being considered to the same extent and in the same manner as if there had been no adverse determination;

(2) without regard to whether the adverse determination is upheld on appeal, the payor shall cover the contested prescription drugs or intravenous infusions received during the period the appeal was considered to the same extent and in the same manner, including the same benefit level, as if there had been no adverse determination; and

(3) without regard to whether the adverse determination is upheld on appeal, the payor may not recoup, based on an adverse determination, any payment made to a physician or health care provider for the continuation of coverage or benefits under Subdivision (1) or (2).

SECTION 5. Amends Subchapter I, Chapter 4201, Insurance Code, by adding Section 4201.404, as follows:

Sec. 4201.404. CONTINUATION OF CONCURRENT PROVISION OF PRESCRIPTION DRUGS OR INTRAVENOUS INFUSIONS. Requires that the procedures for an independent review of an appeal of an adverse determination for a concurrent review of the provision of prescription drugs or intravenous infusions provide that:

(1) coverage or benefits for the contested prescription drugs or intravenous infusions that are the basis of the adverse determination continue under the enrollee's health insurance policy or health benefit plan while the review is being considered to the same extent and in the same manner as if there had been no adverse determination;

(2) without regard to whether the adverse determination is upheld on review, the payor shall cover the contested prescription drugs or intravenous infusions received during the period the review was considered to the same extent and in the same manner, including the same benefit level, as if there had been no adverse determination; and

(3) without regard to whether the adverse determination is upheld on review, the payor may not recoup, based on an adverse determination, any payment made to a physician or health care provider for the continuation of coverage or benefits under Subdivision (1) or (2).

SECTION 6. Provides that this Act applies only to an adverse determination made in relation to coverage or benefits under a health insurance policy or health benefit plan delivered, issued for delivery, or renewed on or after January 1, 2016. Provides that an adverse determination made in relation to coverage or benefits under a policy or plan delivered, issued for delivery, or renewed before January 1, 2016, is governed by the law as it existed immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 7. Effective date: September 1, 2015.