

By: Coleman, Bonnen of Galveston, Zerwas,
Davis of Harris, Sheffield

H.B. No. 3006

Substitute the following for H.B. No. 3006:

By: Sheets

C.S.H.B. No. 3006

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the distribution and use of certain penalties paid by
3 health maintenance organizations and insurers for violating
4 certain provisions governing prompt payment of physicians and
5 health care providers.

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

7 SECTION 1. Section 843.342, Insurance Code, is amended by
8 amending Subsection (m) and adding Subsection (m-1) to read as
9 follows:

10 (m) Notwithstanding any other provision of this section,
11 this subsection governs the payment of a penalty under this
12 section. For a penalty under this section relating to a clean
13 claim submitted by a physician or provider other than an
14 institutional provider, the health maintenance organization shall
15 pay the entire penalty to the physician or provider, except for any
16 interest computed under Subsection (c), which shall be paid to the
17 department to be distributed to the fund established under
18 Subchapter F, Chapter 1508, to be used for any purpose authorized by
19 the commissioner by rule to improve access to health benefit
20 coverage for individuals without coverage [~~Texas Health Insurance~~
21 ~~Risk Pool~~]. For a penalty under this section relating to a clean
22 claim submitted by an institutional provider, the health
23 maintenance organization shall pay 50 percent of the total penalty
24 amount computed under this section, including interest, to the

1 institutional provider and the remaining 50 percent of that amount
2 to the department to be distributed to the fund established under
3 Subchapter F, Chapter 1508, to be used as provided by Subsection
4 (m-1).

5 (m-1) Money in the fund established under Subchapter F,
6 Chapter 1508, that is derived from penalties under this section
7 relating to clean claims submitted by institutional providers may
8 only be appropriated as follows:

9 (1) the first \$5 million may be appropriated only to
10 the Health and Human Services Commission to be used only to fund the
11 commission's consumer assistance for Medicaid program;

12 (2) the next \$20 million collected may be appropriated
13 only to the Health and Human Services Commission to be used only to
14 provide postpartum coverage through the child health plan program
15 operated under Chapter 62, Health and Safety Code, and Medicaid;
16 and

17 (3) amounts in excess of the amounts described by
18 Subdivisions (1) and (2) may be appropriated only to the Health and
19 Human Services Commission to be used only to increase reimbursement
20 rates to health care providers who provide services through the
21 Texas Women's Health Program [~~the Texas Health Insurance Risk~~
22 ~~Pool~~].

23 SECTION 2. Section 1301.137, Insurance Code, is amended by
24 amending Subsection (1) and adding Subsection (1-1) to read as
25 follows:

26 (1) Notwithstanding any other provision of this section,
27 this subsection governs the payment of a penalty under this

1 section. For a penalty under this section relating to a clean
2 claim submitted by a preferred provider other than an institutional
3 provider, the insurer shall pay the entire penalty to the preferred
4 provider, except for any interest computed under Subsection (c),
5 which shall be paid to the department to be distributed to the fund
6 established under Subchapter F, Chapter 1508, to be used for any
7 purpose authorized by the commissioner by rule to improve access to
8 health benefit coverage for individuals without coverage [Texas
9 Health Insurance Risk Pool]. For a penalty under this section
10 relating to a clean claim submitted by an institutional provider,
11 the insurer shall pay 50 percent of the penalty amount computed
12 under this section, including interest, to the institutional
13 provider and the remaining 50 percent of that amount to the
14 department to be distributed to the fund established under
15 Subchapter F, Chapter 1508, to be used as provided by Subsection
16 (1-1).

17 (1-1) Money in the fund established under Subchapter F,
18 Chapter 1508, that is derived from penalties under this section
19 relating to clean claims submitted by institutional providers may
20 only be appropriated as follows:

21 (1) the first \$5 million may be appropriated only to
22 the Health and Human Services Commission to be used only to fund the
23 commission's consumer assistance for Medicaid program;

24 (2) the next \$20 million collected may be appropriated
25 only to the Health and Human Services Commission to be used only to
26 provide postpartum coverage through the child health plan program
27 operated under Chapter 62, Health and Safety Code, and Medicaid;

1 and

2 (3) amounts in excess of the amounts described by
3 Subdivisions (1) and (2) may be appropriated only to the Health and
4 Human Services Commission to be used only to increase reimbursement
5 rates to health care providers who provide services through the
6 Texas Women's Health Program [~~Texas Health Insurance Risk Pool~~].

7 SECTION 3. (a) Notwithstanding Section 6(e), Chapter 615
8 (S.B. 1367), Acts of the 83rd Legislature, Regular Session, 2013,
9 any penalties relating to clean claims submitted by institutional
10 providers that were paid under Section 843.342(m) or 1301.137(1),
11 Insurance Code, before the effective date of this Act, and that
12 remain unexpended and unobligated on the effective date of this
13 Act, shall be used to provide grants to hospitals in this state to
14 upgrade the hospitals' emergency rooms and trauma facilities.

15 (b) The commissioner of insurance shall adopt rules
16 governing the distribution of grants to hospitals under this
17 section and the contracts under which the grants are awarded.

18 (c) The commissioner of insurance shall distribute all
19 money that is subject to this section not later than September 1,
20 2017.

21 SECTION 4. (a) The changes in law made by this Act to
22 Sections 843.342 and 1301.137, Insurance Code, apply only to
23 penalties paid under those sections on or after the effective date
24 of this Act.

25 (b) Except as provided by this Act, penalties paid before
26 the effective date of this Act are governed by the law applicable to
27 the penalties immediately before the effective date of this Act,

1 and that law is continued in effect for that purpose.

2 SECTION 5. This Act takes effect immediately if it receives
3 a vote of two-thirds of all the members elected to each house, as
4 provided by Section 39, Article III, Texas Constitution. If this
5 Act does not receive the vote necessary for immediate effect, this
6 Act takes effect September 1, 2015.