

By: Elkins

H.B. No. 4096

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of a pilot program for the electronic transmission of certain subrogation claims.

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

SECTION 1. Subtitle A, Title 8, Insurance Code, is amended by adding Chapter 1222 to read as follows:

CHAPTER 1222. MOTOR VEHICLE ACCIDENTS AND AUTOMOBILE INSURANCE

SUBROGATION PILOT PROGRAM

Sec. 1222.001. DEFINITIONS. In this chapter:

(1) "Automobile insurer" means an insurer writing automobile insurance in this state, including an insurance company, corporation, reciprocal or interinsurance exchange, mutual insurance company, Lloyd's plan, county mutual insurance company, or other insurer.

(2) "Enrollee" means an individual entitled to benefits under a health benefit plan.

(3) "Health benefit plan issuer" means:

(A) a managed care organization issuing a managed care plan offered under Chapter 533, Government Code;

(B) the Health and Human Services Commission or another entity administering the state Medicaid program operated under Chapter 32, Human Resources Code, or the state child health plan or health benefits plan for children under Chapter 62 or 63, Health and Safety Code;

1 (C) the Employees Retirement System of Texas or
2 another entity issuing or administering a basic coverage plan under
3 Chapter 1551;

4 (D) the Teacher Retirement System of Texas or
5 another entity issuing or administering a basic plan under Chapter
6 1575 or a primary care coverage plan under Chapter 1579; and

7 (E) The Texas A&M University System or The
8 University of Texas System or another entity issuing or
9 administering basic coverage under Chapter 1601.

10 (4) "Payor" means a health benefit plan issuer who:

11 (A) pays benefits to or on behalf of an enrollee
12 as a result of personal injuries to the enrollee caused by the
13 tortious conduct of a third party; and

14 (B) has a contractual or statutory right of
15 subrogation for the benefits paid.

16 Sec. 1222.002. PILOT PROGRAM. (a) The department shall
17 establish a pilot program to evaluate the benefits of using an
18 electronic records management system to collect and transmit
19 information related to injuries arising from motor vehicle
20 accidents to facilitate identification of potential subrogation
21 claims and collection of amounts owed.

22 (b) Subject to the availability of funds, the department
23 shall contract with an organization to operate the pilot program.
24 The department shall select the organization to serve as the
25 contractor using competitive bidding.

26 (c) A payor shall provide the contractor with the
27 information required by the contractor related to benefits paid for

1 injuries arising from motor vehicle accidents in this state. Each
2 automobile insurer shall provide the contractor with the
3 information required by the contractor related to motor vehicle
4 accidents in this state. The contractor shall use the information
5 provided under this subsection to determine if the payor has a right
6 of subrogation against an automobile insurer and, where
7 appropriate, seek recovery of the amounts owed on behalf of the
8 payor.

9 (d) The contractor shall report the results of the
10 subrogation determination and subrogation claim to the payor and
11 provide any funds recovered to the payor.

12 Sec. 1222.003. CONFIDENTIALITY. The contractor operating
13 the pilot program shall maintain the confidentiality of all
14 information provided to the contractor by a payor under this
15 chapter and may use the information only for the purposes of the
16 pilot program.

17 Sec. 1222.004. EVALUATION AND REPORT. Not later than
18 December 1, 2016, the department shall submit a report to the
19 speaker of the house of representatives, lieutenant governor, and
20 appropriate standing committees of the legislature that includes:

21 (1) the cost of the pilot program operated under this
22 chapter;

23 (2) the amount of money collected under the pilot
24 program on behalf of payors; and

25 (3) an evaluation of the effectiveness of the pilot
26 program.

27 Sec. 1222.005. EXPIRATION. This chapter expires September

1 1, 2017.

2 SECTION 2. This Act takes effect September 1, 2015.