

BILL ANALYSIS

C.S.H.B. 2942
By: Muñoz, Jr.
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

Interested parties assert that many preferred provider benefit plans lack sufficient contracted physicians and health care providers in their networks and that the network adequacy standards adopted by the commissioner of insurance for such plans do not sufficiently hold insurers accountable in this area. C.S.H.B. 2942 seeks to address this issue by providing for network adequacy standards that hold insurers accountable for the networks the insurers utilize and for any departure from network adequacy standards.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2942 amends the Insurance Code to require the network adequacy standards the commissioner of insurance is required to adopt by rule for preferred provider benefit plans to hold insurers accountable for the networks the insurers utilize and for any departure from network adequacy standards.

EFFECTIVE DATE

September 1, 2017.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2942 may differ from the original in minor or nonsubstantive ways, the following comparison is organized and formatted in a manner that indicates the substantial differences between the introduced and committee substitute versions of the bill.

INTRODUCED

SECTION 1. Section 1301.0055, Insurance Code, is amended to read as follows:
Sec. 1301.0055. NETWORK ADEQUACY STANDARDS. The commissioner shall by rule adopt network adequacy standards that:

HOUSE COMMITTEE SUBSTITUTE

SECTION 1. Section 1301.0055, Insurance Code, is amended to read as follows:
Sec. 1301.0055. NETWORK ADEQUACY STANDARDS. The commissioner shall by rule adopt network adequacy standards that:

- (1) are adapted to local markets in which an insurer offering a preferred provider benefit plan operates;
- (2) ensure availability of, and accessibility to, a full range of contracted physicians and health care providers to provide health care services to insureds; ~~and~~
- (3) on good cause shown, may allow departure from local market network adequacy standards if the commissioner posts on the department's Internet website the name of the preferred provider plan, the insurer offering the plan, and the affected local market; and
- (4) discourage balance billing as defined by Section 1456.001.

SECTION 2. This Act takes effect September 1, 2017.

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- (2) ensure availability of, and accessibility to, a full range of contracted physicians and health care providers to provide health care services to insureds; ~~and~~
- (3) on good cause shown, may allow departure from local market network adequacy standards if the commissioner posts on the department's Internet website the name of the preferred provider plan, the insurer offering the plan, and the affected local market; and
- (4) hold insurers accountable for the networks the insurers utilize and for any departure from network adequacy standards.

SECTION 2. Same as introduced version.