

By: Flynn

H.B. No. 1675

A BILL TO BE ENTITLED

AN ACT

relating to the methods of payment to health care providers by certain health benefit plan issuers.

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

SECTION 1. Subtitle F, Title 8, Insurance Code, is amended by adding Chapter 1468 to read as follows:

CHAPTER 1468. METHODS OF PAYMENT OF PHYSICIANS AND HEALTH CARE PROVIDERS

Sec. 1468.001. DEFINITIONS. In this chapter:

(1) "Health benefit plan issuer" means an entity authorized under this code or another insurance law of this state that provides health insurance or health benefits in this state, including:

(A) an insurance company;

(B) a group hospital service corporation operating under Chapter 842;

(C) a health maintenance organization operating under Chapter 843; and

(D) a stipulated premium company operating under Chapter 884.

(2) "Health care provider" means a practitioner, institutional provider, or other person or organization that furnishes health care services and that is licensed or otherwise authorized to practice in this state. The term includes a

1 pharmacist, pharmacy, hospital, nursing home, or other medical or
2 health-related service facility that provides care for the sick or
3 injured or other care. The term does not include a physician.

4 (3) "Physician" means an individual licensed to
5 practice medicine in this state.

6 Sec. 1468.002. METHODS OF PAYMENT. (a) Subject to
7 Subsection (b), a health benefit plan issuer or a person with whom a
8 health benefit plan issuer contracts to process or pay physician or
9 health care provider claims may pay a physician or health care
10 provider by any lawful method of payment, including:

- 11 (1) an automated clearinghouse payment;
- 12 (2) a wire transfer;
- 13 (3) electronic funds transfer by card;
- 14 (4) payment through a private card network; or
- 15 (5) another form of electronic funds transfer.

16 (b) Unless a contract between the health benefit plan issuer
17 and the physician or health care provider specifies the method of
18 payment, a physician or health care provider may refuse to accept a
19 method of payment allowed under Subsection (a).

20 (c) A physician or health care provider that refuses to
21 accept a method of payment allowed under Subsection (a) shall give
22 written notice of the refusal to the health benefit plan issuer or
23 the person with whom the health benefit plan issuer contracts to
24 process or pay physician or health care provider claims and specify
25 an acceptable and otherwise lawful method of payment.

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