

By: Muñoz, Jr.

H.B. No. 2350

A BILL TO BE ENTITLED

AN ACT

relating to the provision of health care benefits through a network of physicians or health care providers.

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

SECTION 1. Subtitle C, Title 6, Insurance Code, is amended by adding Chapter 849 to read as follows:

CHAPTER 849. PROHIBITION OF PROVIDER NETWORKS

Sec. 849.001. PURPOSE; CERTAIN PRACTICES PROHIBITED. The purpose of this chapter is to prohibit the provision of health care benefits by entities such as insurers and health maintenance organizations through provider networks, preferred providers, or similar arrangements.

Sec. 849.002. DEFINITION. In this chapter, "health benefit plan issuer" means:

(1) a health maintenance organization or other person who arranges for or provides to enrollees on a prepaid basis a health care plan, a limited health care service plan, or a single health care service plan; and

(2) a life, health, and accident insurance company, health and accident insurance company, health insurance company, or other company operating under Chapter 841, 842, 884, 885, 982, or 1501, that is authorized to issue, deliver, or issue for delivery in this state health insurance policies.

Sec. 849.003. PROHIBITION ON NETWORKS. (a) A health

1 benefit plan issuer may not:

2 (1) arrange for or provide to covered persons health
3 care services using a delivery network that directly or indirectly
4 contracts or subcontracts with physicians and other health care
5 providers;

6 (2) provide, through a policy or plan, for the payment
7 of a level of coverage that is different from the basic level of
8 coverage provided by the policy or plan if the covered person uses a
9 physician or health care provider, or an organization of physicians
10 or health care providers, who contracts to provide medical or
11 health care services to persons covered by the policy or plan; or

12 (3) otherwise provide health care benefits or arrange
13 for health care benefits to be provided to a covered person by
14 contracting directly or indirectly with a physician or health care
15 provider, or an organization of physicians or health care
16 providers, to provide medical or health care services to a covered
17 person on a capitation basis or otherwise.

18 (b) This section applies without regard to whether the
19 physician or health care provider who is a party to a contract
20 described by Subsection (a) is designated as a network provider or a
21 preferred provider or uses another title.

22 (c) Notwithstanding any other law, a health benefit plan
23 issuer may provide health care benefits only by indemnifying the
24 covered person for medical or health care expenses.

25 SECTION 2. The following provisions of the Insurance Code
26 are repealed:

27 (1) Chapter 258;

- 1 (2) Chapter 843;
- 2 (3) Chapter 1271;
- 3 (4) Chapter 1272;
- 4 (5) Chapter 1301;
- 5 (6) Chapter 1456;
- 6 (7) Chapter 1458;
- 7 (8) Chapter 1467; and
- 8 (9) Subchapter B, Chapter 1507.

9 SECTION 3. The commissioner of insurance shall adopt rules
10 not later than January 1, 2018, to implement Chapter 849, Insurance
11 Code, as added by this Act.

12 SECTION 4. The changes in law made by this Act apply only to
13 a health benefit plan that is delivered, issued for delivery, or
14 renewed on or after January 1, 2019. A health benefit plan
15 delivered, issued for delivery, or renewed before January 1, 2019,
16 is governed by the law as it existed immediately before the
17 effective date of this Act, and that law is continued in effect for
18 that purpose.

19 SECTION 5. This Act takes effect September 1, 2017.