

By: Muñoz, Jr.

H.B. No. 2397

Substitute the following for H.B. No. 2397:

By: Phillips

C.S.H.B. No. 2397

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to the termination or suspension by an insurer of a  
3 contract with a preferred provider.

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

5 SECTION 1. The heading to Section 1301.057, Insurance  
6 Code, is amended to read as follows:

7 Sec. 1301.057. TERMINATION OR SUSPENSION OF PARTICIPATION;  
8 EXPEDITED REVIEW PROCESS.

9 SECTION 2. Section 1301.057, Insurance Code, is amended by  
10 amending Subsection (a) and adding Subsections (a-1) and (a-2) to  
11 read as follows:

12 (a) Before terminating a contract with a preferred  
13 provider, an insurer shall:

14 (1) provide written reasons for the termination; and

15 (2) if the affected provider is a practitioner,  
16 provide, on request, a reasonable review mechanism, except in a  
17 case involving:

18 (A) imminent harm to a patient's health; or

19 (B) an action by a state medical or other  
20 physician licensing board or other government agency that  
21 effectively impairs the practitioner's ability to practice  
22 medicine[~~, or~~

23 [~~(C) fraud or malfeasance~~].

24 (a-1) If an insurer provides notice and review under

1 Subsection (a) in a case involving fraud or malfeasance by the  
2 affected practitioner, the insurer:

3 (1) may suspend the affected practitioner's  
4 participation in the preferred provider benefit plan:

5 (A) beginning not earlier than the date the  
6 notice is provided under Subsection (a); and

7 (B) ending on the date the insurer makes a final  
8 determination under Subsection (a-2); and

9 (2) must include written notice of the suspension, if  
10 applicable, with the notice required under Subsection (a).

11 (a-2) If an insurer suspends a practitioner's participation  
12 in the preferred provider benefit plan under Subsection (a-1), the  
13 insurer shall make a final determination to terminate or resume the  
14 provider's participation in the preferred provider benefit plan not  
15 later than three business days after the date the insurer receives  
16 the recommendation of the review panel described by Subsection (b).  
17 The insurer shall immediately send to the practitioner written  
18 notice of the insurer's determination.

19 SECTION 3. The change in law made by this Act applies only  
20 to a contract entered into or renewed on or after the effective date  
21 of this Act. A contract entered into or renewed before the  
22 effective date of this Act is governed by the law as it existed  
23 immediately before the effective date of this Act, and that law is  
24 continued in effect for that purpose.

25 SECTION 4. This Act takes effect September 1, 2017.