

By: Muñoz, Jr.

H.B. No. 2397

A BILL TO BE ENTITLED

AN ACT

relating to the termination by an insurer of a contract with a preferred provider.

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

SECTION 1. Section 1301.057(a), Insurance Code, is amended to read as follows:

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

(1) provide written reasons for the termination; and

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

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

(B) an action by a state medical or other physician licensing board or other government agency that effectively impairs the practitioner's ability to practice medicine; or

(C) fraud or malfeasance committed by the practitioner against the insurer, as determined by a final, unappealable judgment of a court.

SECTION 2. The change in law made by this Act applies only to a contract entered into or renewed on or after the effective date of this Act. A contract entered into or renewed before the effective date of this Act is governed by the law as it existed

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1 immediately before the effective date of this Act, and that law is
2 continued in effect for that purpose.

3 SECTION 3. This Act takes effect September 1, 2017.