By: Raymond H.B. No. 3990

A BILL TO BE ENTITLED

AN ACT

relating to the use of clinical decision support software and laboratory benefits management programs by physicians and health care providers in connection with provision of clinical laboratory services to certain managed care plan enrollees.

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

SECTION 1. Chapter 1451, Insurance Code, is amended by adding Subchapter M to read as follows:

SUBCHAPTER M. CLINICAL LABORATORIES

Sec. 1451.601. DEFINITIONS. (a) In this subchapter:

(1) "Clinical decision support software" means computer software that compares patient characteristics to a database of clinical knowledge to produce patient-specific assessments or recommendations to assist a physician or health care provider in making clinical decisions.

(2) "Clinical laboratory service" means the examination of a sample of fluid or other material taken from a human body ordered by a physician or health care provider for use in the diagnosis, prevention, or treatment of a disease or the identification or assessment of a medical or physical condition.

(3) "Enrollee" means an individual enrolled in a managed care plan.

(4) "Laboratory benefits management program" means a managed care plan issuer protocol or program administered by the

managed care plan issuer or another entity under contract with the managed care plan issuer that dictates, directs, or limits decision making of a physician or health care provider who is authorized to order clinical laboratory services.

(5) "Managed care plan" means a health plan provided by a health maintenance organization under Chapter 843 or a preferred provider or exclusive provider plan provided by an insurer under Chapter 1301.

(6) "Managed care plan issuer" means a health maintenance organization or an insurer that provides a managed care plan.

Sec. 1451.602. CERTAIN REQUIREMENTS FOR USE OF CLINICAL LABORATORIES AND LABORATORY SERVICES PROHIBITED. (a) A managed care plan issuer may not by contract or otherwise require the use of clinical decision support software or a laboratory benefits management program by an enrollee's physician or health care provider before, at the time, or after the physician or health care provider orders a clinical laboratory service for the enrollee.

(b) A managed care plan issuer may not by contract or otherwise direct or limit an enrollee's physician or health care provider in the physician's or provider's clinical decision making relating to the use of a clinical laboratory service or the referral of a patient specimen to a clinical laboratory.

(c) A managed care plan issuer may not by contract or otherwise require, steer, encourage, or otherwise direct an enrollee's physician or health care provider to refer a patient specimen to a particular clinical laboratory in the managed care

plan network designated by the managed care plan issuer other than the clinical laboratory in the network selected by the physician or health care provider.

(d) A managed care plan issuer may not by contract or otherwise limit or deny payment of a claim for a clinical laboratory service based on whether the ordering physician or health care provider uses or fails to use clinical decision support software or a laboratory benefits management program.

(e) Nothing in this section prohibits a managed care plan issuer from requiring a prior authorization for clinical laboratory services provided that the managed care plan issuer imposes the requirement uniformly to all laboratories providing clinical laboratory services in the managed care plan's provider network.

Sec. 1451.603. APPLICABILITY OF SUBCHAPTER TO ENTITIES CONTRACTING WITH MANAGED CARE PLAN ISSUER. This subchapter applies to a person to whom a managed care plan issuer contracts to:

(1) manage or administer laboratory benefits;

(2) process or pay claims;

(3) obtain the services of physicians or other providers to provide health care services to enrollees; or

(4) issue verifications or preauthorizations.

SECTION 2. Subchapter M, Chapter 1451, Insurance Code, as added by this Act, applies only to a contract between a managed care plan and a physician or provider that is 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 immediately before the effective date of this Act, and

that law is continued in effect for that purpose.

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