

By: Hinojosa

S.B. No. 1388

A BILL TO BE ENTITLED

AN ACT

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

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

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

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

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

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

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

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

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

21 SECTION 2. The change in law made by this Act applies only  
22 to a contract entered into or renewed on or after the effective date  
23 of this Act. A contract entered into or renewed before the  
24 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.