

By: Schwertner

S.B. No. 1413

A BILL TO BE ENTITLED

1 AN ACT
2 relating to health maintenance organization contracts with certain
3 entities to provide health care services.

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

5 SECTION 1. Section 843.101, Insurance Code, is amended by
6 amending Subsection (b) and adding Subsections (b-1) and (b-2) to
7 read as follows:

8 (b) A health maintenance organization may provide or
9 arrange for health care services only through:

10 (1) other health maintenance organizations;

11 (2) providers or groups of providers who are:

12 (A) under contract with or are employed by the
13 health maintenance organization; or

14 (B) under contract with an entity that is under
15 contract with the health maintenance organization to provide a
16 network of providers to provide health care services only if the
17 contract between the entity and the health maintenance
18 organization:

19 (i) does not limit the health maintenance
20 organization's authority or responsibility, including financial
21 responsibility, to comply with any regulatory requirement that
22 applies to a function performed by the entity;

23 (ii) requires the entity to comply with all
24 regulatory requirements that apply to a function performed by the

1 entity; and

2 (iii) expressly sets forth the requirements
3 of Subparagraphs (i) and (ii); or

4 (3) additional health maintenance organizations or
5 physicians or providers who have contracted for health care
6 services with:

7 (A) the other health maintenance organizations;

8 (B) physicians with whom the health maintenance
9 organization has contracted; or

10 (C) providers who are under contract with or are
11 employed by the health maintenance organization.

12 (b-1) Except as provided by Subsection (b-2) and
13 notwithstanding any other law, an entity described by Subsection
14 (b)(2)(B) and the health maintenance organization with which the
15 entity contracts are subject to Chapter 1272 as if the entity were a
16 delegated entity.

17 (b-2) An entity described by Subsection (b)(2)(B) and the
18 health maintenance organization with which the entity contracts are
19 not subject to the following provisions:

20 (1) Section 1272.053(1);

21 (2) Section 1272.057(1);

22 (3) Section 1272.061(1)(C); and

23 (4) Subchapter D, Chapter 1272.

24 SECTION 2. This Act takes effect September 1, 2017.