

1-1 By: Schwertner S.B. No. 1413
 1-2 (In the Senate - Filed March 7, 2017; March 16, 2017, read
 1-3 first time and referred to Committee on Business & Commerce;
 1-4 April 20, 2017, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 8, Nays 0; April 20, 2017,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16			X	
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR S.B. No. 1413 By: Schwertner

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to health maintenance organization contracts with certain
 1-22 entities to provide health care services.

1-23 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-24 SECTION 1. Section [843.101](#), Insurance Code, is amended by
 1-25 amending Subsection (b) and adding Subsections (b-1) and (b-2) to
 1-26 read as follows:

1-27 (b) A health maintenance organization may provide or
 1-28 arrange for health care services only through:

1-29 (1) other health maintenance organizations;

1-30 (2) providers or groups of providers who are:

1-31 (A) under contract with or are employed by the
 1-32 health maintenance organization; or

1-33 (B) under contract with an entity that is under
 1-34 contract with the health maintenance organization to provide a
 1-35 network of providers to provide health care services only if the
 1-36 contract between the entity and the health maintenance
 1-37 organization:

1-38 (i) does not limit the health maintenance
 1-39 organization's authority or responsibility, including financial
 1-40 responsibility, to comply with any regulatory requirement that
 1-41 applies to a function performed by the entity;

1-42 (ii) requires the entity to comply with all
 1-43 regulatory requirements that apply to a function performed by the
 1-44 entity; and

1-45 (iii) expressly sets forth the requirements
 1-46 of Subparagraphs (i) and (ii); or

1-47 (3) additional health maintenance organizations or
 1-48 physicians or providers who have contracted for health care
 1-49 services with:

1-50 (A) the other health maintenance organizations;

1-51 (B) physicians with whom the health maintenance
 1-52 organization has contracted; or

1-53 (C) providers who are under contract with or are
 1-54 employed by the health maintenance organization.

1-55 (b-1) Except as provided by Subsection (b-2) and
 1-56 notwithstanding any other law, an entity described by Subsection
 1-57 (b)(2)(B) and the health maintenance organization with which the
 1-58 entity contracts are subject to Chapter [1272](#) as if the entity were a
 1-59 delegated entity unless the entity:

1-60 (1) is a delegated network or delegated third party as

2-1 defined by Section 1272.001; or
2-2 (2) is not a delegated entity as provided by Section
2-3 1272.001(a)(1)(A) or (B).

2-4 (b-2) An entity subject to Chapter 1272 under Subsection
2-5 (b-1) that does not assume risk and the health maintenance
2-6 organization with which the entity contracts are not subject to the
2-7 following provisions:

2-8 (1) Section 1272.053(1);

2-9 (2) Section 1272.057(1);

2-10 (3) Section 1272.061(1)(C); and

2-11 (4) Subchapter D, Chapter 1272.

2-12 SECTION 2. This Act takes effect January 1, 2018.

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