

By: Campbell

S.B. No. 1485

A BILL TO BE ENTITLED

AN ACT

1
2 relating to payment standards for preferred provider benefit plans
3 to reduce balance billing of insureds for out-of-network health
4 care services.

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

6 SECTION 1. Subchapter C-1, Chapter 1301, Insurance Code, is
7 amended by adding Section 1301.140 to read as follows:

8 Sec. 1301.140. BALANCE BILLING; PAYMENTS TO OUT-OF-NETWORK
9 PROVIDERS. (a) In this section, "geozip area" means an area that
10 includes all zip codes with the identical first three digits. For
11 purposes of this section, a covered service performed at a location
12 that does not have a zip code is considered to be performed in the
13 geozip area closest to the location at which the service is
14 performed.

15 (b) A preferred provider benefit plan must provide that the
16 insured will not be balance billed because the insurer pays an
17 out-of-network provider based on an allowed charge for a covered
18 service that is less than the average charge for the service by
19 out-of-network providers in the geozip area in which the service
20 was provided minus any portion of the charge that is the insured's
21 responsibility under the preferred provider benefit plan.

22 (c) If an out-of-network provider submits to an insurer a
23 claim for payment for a covered service, the insurer shall pay the
24 out-of-network provider an amount that is equal to or greater than

1 the average charge for the service by out-of-network providers in
2 the geozip area in which the service was provided minus any portion
3 of the charge that is the insured's responsibility under the
4 preferred provider benefit plan.

5 SECTION 2. Section 1301.140, Insurance Code, as added by
6 this Act, applies only to a preferred provider benefit plan that is
7 delivered, issued for delivery, or renewed on or after January 1,
8 2018. A preferred provider benefit plan that is delivered, issued
9 for delivery, or renewed before January 1, 2018, is governed by the
10 law as it existed immediately before the effective date of this Act,
11 and that law is continued in effect for that purpose.

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