

By: Campbell

S.B. No. 1486

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) An insurer may not cause balance billing of an insured
16 by paying an out-of-network provider based on an allowed charge for
17 a covered service that is less than the average amount billed for
18 the service by preferred providers in the geozip area in which the
19 service was provided.

20 (c) If an out-of-network provider submits to an insurer a
21 claim for payment for a covered service, the insurer shall pay the
22 out-of-network provider an amount that is equal to or greater than
23 the average amount billed for the service by preferred providers in
24 the geozip area in which the service was provided minus any portion

1 of the charge that is the insured's responsibility under the
2 preferred provider benefit plan.

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

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