

BILL ANALYSIS

H.B. 1914
By: Moody
Insurance
Committee Report (Unamended)

BACKGROUND AND PURPOSE

It has been noted that "prompt pay" deadlines, by which insurers are required to pay a claim or be subject to a penalty, apply to claims by out-of-network emergency care providers that are paid at the usual and customary rate. The penalties associated with a payment that doesn't meet the deadline, however, are calculated based on the contract rate for in-network claims. There are calls to align the calculation for penalties associated with missing a "prompt pay" deadline with the actual rate used to determine payment of claims for services provided out of network. H.B. 1914 seeks to address the issue by establishing that the contracted rate for a health care service provided by a physician or provider is the usual and customary rate for the service in the geographic area in which the service is provided for the purposes of calculating a penalty when an insurer does not pay claims promptly.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

H.B. 1914 amends the Insurance Code to establish that the contracted rate for a health care service provided by a physician or provider is the usual and customary rate for the service in the geographic area in which the service is provided for the purposes of calculating a penalty under statutory provisions relating to a violation of certain claims payment provisions. The bill clarifies that those provisions relating to a violation of certain claims payment provisions apply to a physician or provider who meets certain conditions related to not being included in the health maintenance organization delivery network and to providing certain care to the enrollee.

EFFECTIVE DATE

September 1, 2019.