

BILL ANALYSIS

C.S.H.B. 2631
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Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

It has been suggested that the process and duration required to become an in-network provider in Texas is too burdensome and too long for practitioners and physicians. C.S.H.B. 2631 seeks to address this issue by streamlining the credentialing process.

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

C.S.H.B. 2631 amends the Insurance Code to require a managed care plan issuer to determine in a reasonable time, in accordance with commissioner of insurance rule, whether to credential a physician or health care practitioner who is not eligible for expedited credentialing. The bill requires an issuer, on receipt of a credentialing application, to provide notice to an applicant of the effect of failure to meet the issuer's credentialing requirements if the applicant elects to be considered a participating provider. The bill requires an issuer, on election by the applicant after receiving such notice from the issuer and on agreement to participating provider contract terms by the applicant and the issuer, to treat the applicant as if the applicant is a participating provider in the managed care plan network when the applicant provides services to the plan's enrollees. The bill sets out the eligibility requirements for an applicant to qualify for credentialing and payment under the bill's provisions and the amount of payment the issuer and applicant may recover or retain, respectively, if the issuer determines an applicant who made an election does not meet the issuer's credentialing requirements.

C.S.H.B. 2631 establishes that an enrollee in a managed care plan is not responsible and is held harmless for the difference between in-network copayments paid by the enrollee to an applicant who fails to meet the issuer's credentialing requirements and the plan's charges for out-of-network services. The bill prohibits such an applicant from charging the enrollee for any portion of the amount that is not paid or reimbursed by the enrollee's plan. The bill exempts an issuer that complies with the bill's provisions from liability for damages arising out of or in connection with, directly or indirectly, the payment by the issuer of an applicant as if the applicant were a participating provider in the managed care plan network.

C.S.H.B. 2631 requires an issuer to make available all relevant information to the Texas Department of Insurance (TDI) to allow TDI to audit the credentialing process to determine compliance with the bill's provisions. The bill requires the office of public insurance counsel,

using existing resources, to create and publish an annual report on the counsel's website of the largest managed care plan issuers in Texas and to include information for each issuer on:

- the issuer's network adequacy;
- the percentage of enrollees receiving a bill from an out-of-network provider due to provider charges unpaid by the issuer and the enrollee's responsibility under the plan; and
- the impact of issuer credentialing policies on network adequacy and enrollee payment of out-of-network charges.

EFFECTIVE DATE

September 1, 2019.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2631 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes a requirement for an issuer to provide certain applicants with notice of the effect of failure to meet the issuer's credentialing requirements.

The substitute includes a specification for the office of public insurance counsel to use existing resources in creating and publishing the required annual report.