86R21738 PMO-D

By:  Zedler H.B. No. 1273

Substitute the following for H.B. No. 1273:

By:  Lucio III C.S.H.B. No. 1273

A BILL TO BE ENTITLED

AN ACT

relating to denial of payment for preauthorized health care services.

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

SECTION 1.  The heading to Chapter 1217, Insurance Code, is amended to read as follows:

CHAPTER 1217. [~~STANDARD REQUEST FORM FOR~~] PRIOR AUTHORIZATION OF HEALTH CARE SERVICES

SECTION 2.  Chapter 1217, Insurance Code, is amended by adding Section 1217.008 to read as follows:

Sec. 1217.008.  PROHIBITION OF DENIAL OF PAYMENT FOR PREAUTHORIZED HEALTH CARE SERVICES. (a) If a health benefit plan issuer has given prior authorization for health care services to be performed by a physician or health care provider, the health benefit plan issuer may not deny or reduce payment to the physician or health care provider for those services based on medical necessity or appropriateness of care unless the physician or health care provider materially misrepresented the proposed health care services or substantially failed to perform the proposed health care services.

(b)  Nothing in this section limits the liability of a physician or health care provider:

(1)  in an action brought under Chapter 36, Human Resources Code; or

(2)  for a violation of state or federal law governing medical assistance under Chapter 32, Human Resources Code, including medical assistance delivered through a managed care model or health benefits provided under the state child health plan program under Chapter 62, Health and Safety Code.

(c)  Subsection (a) does not apply to:

(1)  a denial, recoupment, or suspension of or reduction in a payment to a physician or health care provider made by a managed care organization under the direction of the Health and Human Services Commission's office of the inspector general, under the office's authority to prevent, detect, audit, inspect, review, and investigate fraud, waste, and abuse in the provision and delivery of all health and human services in the state under Section 531.102, Government Code; or

(2)  a recovery by a managed care organization under Section 531.1131, Government Code.

SECTION 3.  This Act takes effect September 1, 2019.