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et al.

H.B. No. 2631

A BILL TO BE ENTITLED

AN ACT

relating to physician and health care practitioner credentialing by  
managed care plan issuers.

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

SECTION 1. Chapter 1452, Insurance Code, is amended by  
adding Subchapter F to read as follows:

SUBCHAPTER F. CREDENTIALING OF PHYSICIANS AND PROVIDERS BY MANAGED

CARE PLAN ISSUER

Sec. 1452.251. DEFINITIONS. In this subchapter:

(1) "Enrollee" means an individual who is eligible to  
receive health care services under a managed care plan.

(2) "Health benefit plan" means a plan that provides  
benefits for medical, surgical, or other treatment expenses  
incurred as a result of a health condition, a mental health  
condition, an accident, sickness, or substance abuse, including:

(A) an individual, group, blanket, or franchise  
insurance policy or insurance agreement, a group hospital service  
contract, or an individual or group evidence of coverage or similar  
coverage document that is issued by:

(i) an insurance company;

(ii) a group hospital service corporation  
operating under Chapter 842;

(iii) a health maintenance organization  
operating under Chapter 843;

1                   (iv) an approved nonprofit health  
2 corporation that holds a certificate of authority under Chapter  
3 844;

4                   (v) a multiple employer welfare arrangement  
5 that holds a certificate of authority under Chapter 846;

6                   (vi) a stipulated premium company operating  
7 under Chapter 884;

8                   (vii) a fraternal benefit society operating  
9 under Chapter 885;

10                   (viii) a Lloyd's plan operating under  
11 Chapter 941; or

12                   (ix) an exchange operating under Chapter  
13 942;

14                   (B) a small employer health benefit plan written  
15 under Chapter 1501;

16                   (C) a health benefit plan issued under Chapter  
17 1551, 1575, 1579, or 1601; or

18                   (D) a health benefit plan issued under the  
19 Medicaid managed care program under Chapter 533, Government Code.

20                   (3) "Health care practitioner" means an individual,  
21 other than a physician, who is licensed to provide and provides  
22 health care services.

23                   (4) "Managed care plan" means a health benefit plan  
24 under which health care services are provided to enrollees through  
25 contracts with physicians or health care practitioners and that  
26 requires enrollees to use participating providers or that provides  
27 a different level of coverage for enrollees who use participating

1 providers.

2 (5) "Participating provider" means a physician or  
3 health care practitioner who has contracted with a managed care  
4 plan issuer to provide services to enrollees.

5 (6) "Physician" means an individual licensed to  
6 practice medicine in this state.

7 Sec. 1452.252. PROMPT CREDENTIALING REQUIRED. A managed  
8 care plan issuer shall determine in a reasonable time in accordance  
9 with commissioner rule whether to credential a physician or health  
10 care practitioner who is not eligible for expedited credentialing  
11 under Subchapter C.

12 Sec. 1452.253. ELIGIBILITY REQUIREMENTS. To qualify for  
13 credentialing under this subchapter and payment under Section  
14 1452.254, an applicant must:

15 (1) be licensed in this state by, and in good standing  
16 with, the Texas Medical Board or other appropriate licensing  
17 authority;

18 (2) submit all documentation and other information  
19 required by the issuer of the managed care plan as necessary to  
20 enable the issuer to begin the credentialing process required by  
21 the issuer to include the applicant in the issuer's managed care  
22 plan network; and

23 (3) agree to comply with the terms of the applicable  
24 managed care plan's participating provider contract.

25 Sec. 1452.254. PAYMENT OF APPLICANT DURING CREDENTIALING  
26 PROCESS. (a) On election by the applicant after receiving notice  
27 under Subsection (b) and on agreement to participating provider

1 contract terms by the applicant and managed care plan issuer, and  
2 for payment purposes only, the issuer shall treat the applicant as  
3 if the applicant is a participating provider in the managed care  
4 plan network when the applicant provides services to the managed  
5 care plan's enrollees, including:

6 (1) authorizing the applicant to collect copayments  
7 from the enrollees; and

8 (2) making payments to the applicant.

9 (b) On receipt of a credentialing application, a managed  
10 care plan issuer shall provide notice to the applicant of the effect  
11 of failure to meet the issuer's credentialing requirements under  
12 Section 1452.255 if the applicant elects to be considered a  
13 participating provider under Subsection (a).

14 Sec. 1452.255. EFFECT OF FAILURE TO MEET CREDENTIALING  
15 REQUIREMENTS. If, on completion of the credentialing process, the  
16 managed care plan issuer determines that an applicant who made an  
17 election under Section 1452.254 does not meet the issuer's  
18 credentialing requirements:

19 (1) the managed care plan issuer may recover from the  
20 applicant an amount equal to the difference between payments for  
21 in-network benefits and out-of-network benefits; and

22 (2) the applicant may retain any copayments collected  
23 or in the process of being collected as of the date of the issuer's  
24 determination.

25 Sec. 1452.256. ENROLLEE HELD HARMLESS. An enrollee in the  
26 managed care plan is not responsible and shall be held harmless for  
27 the difference between in-network copayments paid by the enrollee

1 to an applicant who is determined to be ineligible under Section  
2 1452.255 and the managed care plan's charges for out-of-network  
3 services. The applicant may not charge the enrollee for any portion  
4 of the amount that is not paid or reimbursed by the enrollee's  
5 managed care plan.

6 Sec. 1452.257. LIMITATION ON MANAGED CARE PLAN ISSUER  
7 LIABILITY. A managed care plan issuer that complies with this  
8 subchapter is not subject to liability for damages arising out of or  
9 in connection with, directly or indirectly, the payment by the  
10 issuer of an applicant as if the applicant were a participating  
11 provider in the managed care plan network.

12 Sec. 1452.258. DEPARTMENT AUDIT. A managed care plan  
13 issuer shall make available all relevant information to the  
14 department to allow the department to audit the credentialing  
15 process to determine compliance with this subchapter.

16 Sec. 1452.259. PUBLIC INSURANCE COUNSEL REPORT. Using  
17 existing resources, the office of public insurance counsel shall  
18 create and publish an annual report on the counsel's Internet  
19 website of the largest managed care plan issuers in this state and  
20 include information for each issuer on:

21 (1) the issuer's network adequacy;

22 (2) the percentage of enrollees receiving a bill from  
23 an out-of-network provider due to provider charges unpaid by the  
24 issuer and the enrollee's responsibility under the managed care  
25 plan; and

26 (3) the impact of managed care plan issuer  
27 credentialing policies on network adequacy and enrollee payment of

1 out-of-network charges.

2 SECTION 2. This Act takes effect September 1, 2019.