

By: Deshotel

H.B. No. 3721

A BILL TO BE ENTITLED

AN ACT

relating to an independent review organization to conduct reviews of certain medical necessity determinations under the Medicaid managed care program.

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

SECTION 1. Subchapter A, Chapter 533, Government Code, is amended by adding Section 533.039 to read as follows:

Sec. 533.039. INDEPENDENT REVIEW ORGANIZATIONS. (a) In this section, "independent review organization" means an organization certified under Chapter 4202, Insurance Code.

(b) The commission shall contract with an independent review organization to make review determinations with respect to complaints or disputes, including a dispute at issue in a request for appeal, submitted to the commission challenging a medical necessity determination of a managed care organization that contracts with the commission under this chapter. The executive commissioner by rule shall determine:

(1) the manner in which an independent review organization is to settle complaints or disputes;

(2) when, in the appeals process, an organization may be accessed; and

(3) the recourse available after the organization makes a review determination.

(c) The commission shall ensure that a contract entered into

under Subsection (b):

(1) requires an independent review organization to make a review determination in a timely manner;

(2) provides procedures to protect the confidentiality of medical records transmitted to the organization for use in conducting an independent review;

(3) sets minimum qualifications for and requires the independence of each physician or other health care provider making a review determination on behalf of the organization;

(4) specifies the procedures to be used by the organization in making review determinations;

(5) requires the timely notice to a recipient of the results of an independent review, including the clinical basis for the review determination;

(6) requires that the organization report the following aggregate information to the commission in the form and manner and at the times prescribed by the commission:

(A) the number of requests for independent reviews received by the independent review organization;

(B) the number of independent reviews conducted;

(C) the number of review determinations made:

(i) in favor of a managed care organization; and

(ii) in favor of a recipient;

(D) the number of review determinations that resulted in a managed care organization deciding to cover the service at issue;

1 (E) a summary of the complaints or disputes at
2 issue in independent reviews;

3 (F) a summary of the services that were the
4 subject of independent reviews; and

5 (G) the average time the organization took to
6 complete an independent review and make a review determination; and

7 (7) requires that, in addition to the aggregate
8 information required by Subdivision (6), the organization include
9 in the report the information required by that subdivision
10 categorized by managed care organization.

11 (d) An independent review organization with which the
12 commission contracts under this section shall:

13 (1) obtain all information relating to the complaint
14 or dispute at issue from the managed care organization and the
15 provider in accordance with time frames prescribed by the
16 commission;

17 (2) assign a physician or other health care provider
18 with appropriate expertise as a reviewer to make a review
19 determination;

20 (3) for each review, perform a check to ensure that the
21 organization and the physician or other health care provider
22 assigned to make a review determination do not have a conflict of
23 interest, as defined in the contract entered into between the
24 commission and the organization;

25 (4) communicate procedural rules, approved by the
26 commission, and other information regarding the appeals process to
27 all parties; and

1 (5) render a timely review determination, as
2 determined by the commission.

3 (e) The commission shall ensure that the managed care
4 organization, the provider, and the recipient involved in a
5 complaint or dispute do not have a choice in the reviewer who is
6 assigned to perform the review.

7 (f) In selecting an independent review organization with
8 which to contract, the commission shall avoid conflicts of interest
9 by considering and monitoring existing relationships between
10 independent review organizations and managed care organizations.

11 (g) The executive commissioner shall adopt rules necessary
12 to implement this section.

13 SECTION 2. If before implementing any provision of this Act
14 a state agency determines that a waiver or authorization from a
15 federal agency is necessary for implementation of that provision,
16 the agency affected by the provision shall request the waiver or
17 authorization and may delay implementing that provision until the
18 waiver or authorization is granted.

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