

By: Menéndez

S.B. No. 1740

A BILL TO BE ENTITLED

1 AN ACT

2 relating to disclosures by certain health benefit plans to
3 enrollees regarding certain preauthorized medical care and health
4 care services.

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

6 SECTION 1. Subchapter F, Chapter 843, Insurance Code, is
7 amended by adding Section 843.2025 to read as follows:

8 Sec. 843.2025. DISCLOSURES CONCERNING CERTAIN
9 PREAUTHORIZED SERVICES. (a) In this section:

10 (1) "Elective health care service" means a covered
11 health care service that is scheduled in advance.

12 (2) "Licensed medical facility" means:

13 (A) a hospital licensed under Chapter 241, Health
14 and Safety Code;

15 (B) an ambulatory surgical center licensed under
16 Chapter 243, Health and Safety Code; or

17 (C) a birthing center licensed under Chapter 244,
18 Health and Safety Code.

19 (3) "Preauthorization" has the meaning assigned by
20 Section 843.348.

21 (b) If a health maintenance organization preauthorizes an
22 elective health care service to be provided at a licensed medical
23 facility, the health maintenance organization shall, within a
24 reasonable period before the date the health care service is

1 scheduled to be performed, provide to the enrollee:

2 (1) a statement of the name and network status of any
3 facility-based physician or provider that the health maintenance
4 organization reasonably expects will provide and charge for the
5 preauthorized service;

6 (2) an estimate of:

7 (A) the payment that will be made for the
8 preauthorized service; and

9 (B) the enrollee's financial responsibility for
10 the preauthorized service, including any copayment or other
11 out-of-pocket amount for which the enrollee is responsible;

12 (3) a statement that the actual charges and payment
13 for the health care service and the enrollee's financial
14 responsibility for the health care service may vary from the
15 estimate provided by the health maintenance organization based on
16 the enrollee's medical condition and other factors associated with
17 the performance of the health care service; and

18 (4) a statement that the enrollee may be personally
19 liable for the amount charged for health care services provided to
20 the enrollee depending on the enrollee's health benefit plan
21 coverage.

22 (c) A general statement that some facility-based physicians
23 or providers may be out-of-network does not satisfy the notice
24 requirement of Subsection (b).

25 SECTION 2. Subchapter C-1, Chapter 1301, Insurance Code, is
26 amended by adding Section 1301.1355 to read as follows:

27 Sec. 1301.1355. DISCLOSURES CONCERNING CERTAIN

1 PREAUTHORIZED SERVICES. (a) In this section:

2 (1) "Elective medical care or health care service"
3 means a covered medical care or health care service that is
4 scheduled in advance.

5 (2) "Licensed medical facility" means:

6 (A) a hospital licensed under Chapter 241, Health
7 and Safety Code;

8 (B) an ambulatory surgical center licensed under
9 Chapter 243, Health and Safety Code; or

10 (C) a birthing center licensed under Chapter 244,
11 Health and Safety Code.

12 (b) If an insurer preauthorizes an elective medical care or
13 health care service to be provided at a licensed medical facility,
14 the insurer shall, within a reasonable period before the date the
15 medical care or health care service is scheduled to be performed,
16 provide to the insured:

17 (1) a statement of the name and network status of any
18 facility-based physician or health care provider that the insurer
19 reasonably expects will provide and charge for the preauthorized
20 service;

21 (2) an estimate of:

22 (A) the payment that will be made for the
23 preauthorized service; and

24 (B) the insured's financial responsibility for
25 the preauthorized service, including any copayment, coinsurance,
26 deductible, or other out-of-pocket amount for which the insured is
27 responsible;

1 (3) a statement that the actual charges and payment
2 for the medical care or health care service and the insured's
3 financial responsibility for the medical care or health care
4 service may vary from the estimate provided by the insurer based on
5 the insured's medical condition and other factors associated with
6 the performance of the medical care or health care service; and

7 (4) a statement that the insured may be personally
8 liable for the amount charged for medical care or health care
9 services provided to the insured depending on the insured's health
10 benefit plan coverage.

11 (c) A general statement that some facility-based physicians
12 or health care providers may be out-of-network does not satisfy the
13 notice requirement of Subsection (b).

14 SECTION 3. The changes in law made by this Act apply only to
15 a health benefit plan that is delivered, issued for delivery, or
16 renewed on or after January 1, 2020.

17 SECTION 4. This Act takes effect January 1, 2020.