

By: Kolkhorst

S.B. No. 1886

A BILL TO BE ENTITLED

AN ACT

relating to departures from network adequacy standards by a preferred provider benefit plan.

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

SECTION 1. Section 1301.0055, Insurance Code, is amended to read as follows:

Sec. 1301.0055. NETWORK ADEQUACY STANDARDS; DEPARTURE FROM STANDARDS. (a) The commissioner shall by rule adopt network adequacy standards that:

(1) are adapted to local markets in which an insurer offering a preferred provider benefit plan operates;

(2) ensure availability of, and accessibility to, a full range of contracted physicians and health care providers to provide health care services to insureds; and

(3) on good cause shown, may allow departure from local market network adequacy standards if the commissioner posts on the department's Internet website the name of the preferred provider plan, the insurer offering the plan, and the affected local market.

(b) Unless renewed in accordance with this section, permission to depart from a local market network adequacy standard under this section expires on the first anniversary of the date the commissioner grants the request for the departure.

(c) An insurer may request a renewal of permission to depart

1 from a local market network adequacy standard under this section
2 not later than the 30th day before the permission expires.

3 (d) If the commissioner grants an insurer's request for a
4 departure from a local market network adequacy standard for a
5 preferred provider benefit plan, the commissioner may not approve a
6 subsequent request by that insurer to depart from the same standard
7 for that plan unless the request demonstrates that:

8 (1) good cause for the requested departure exists;

9 (2) if a physician or health care provider able to
10 provide the covered service for which the insurer requests the
11 departure is available in the local market for which the departure
12 is requested:

13 (A) the insurer took reasonable steps to meet the
14 relevant standard, including taking any steps identified in a
15 previous request for departure from the standard; and

16 (B) for each physician or health care provider
17 described by this subdivision with whom the insurer does not enter a
18 contract:

19 (i) if the failure to contract was not based
20 on reimbursement rates, the insurer made not less than three
21 reasonable attempts to negotiate the disputed contract terms; or

22 (ii) if the failure to contract was based on
23 reimbursement rates, the insurer offered not less than three
24 materially different rates;

25 (3) the insurer's termination of a physician or health
26 care provider without cause is not a contributing factor in the
27 insurer's need for the requested departure; and

1 (4) the insurer has not had the highest ratio of claims
2 to mediation requests under Chapter 1467 in any of the preceding
3 three years for the relevant service compared to other insurers
4 subject to that chapter.

5 (e) The commissioner may impose reasonable conditions on
6 the grant of a departure request.

7 SECTION 2. Not later than December 1, 2019, the
8 commissioner of insurance shall adopt rules necessary to implement
9 Section 1301.0055, Insurance Code, as amended by this Act.

10 SECTION 3. The changes in law made by this Act apply only to
11 an insurance policy delivered, issued for delivery, or renewed on
12 or after January 1, 2020. An insurance policy delivered, issued for
13 delivery, or renewed before January 1, 2020, is governed by the law
14 as it existed immediately before the effective date of this Act, and
15 that law is continued in effect for that purpose.

16 SECTION 4. This Act takes effect September 1, 2019.