BILL ANALYSIS

C.S.H.B. 2142
By: Vo
Insurance
Committee Report (Substituted)

BACKGROUND AND PURPOSE

There are concerns that the time lines prescribed in state law for prior authorizations are not being adhered to by insurers, who oftentimes use loopholes or technicalities to avoid compliance with the time lines. This ultimately delays patient care or, even worse, causes a patient to forgo needed treatment altogether. C.S.H.B. 2142 seeks to address this issue by requiring the commissioner of insurance to conduct regular examinations of health maintenance organizations and certain other insurers to determine compliance with requirements relating to utilization review, including with respect to preauthorization.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2142 amends the Insurance Code to require the commissioner of insurance to examine a health maintenance organization (HMO) and an insurer offering a preferred provider benefit plan at least annually and whenever the commissioner considers it necessary in order to determine compliance with applicable Insurance Code requirements relating to utilization review, including requirements related to preauthorization. The bill exempts an HMO and an insurer from examination if the commissioner has examined or will examine the HMO or insurer to determine that compliance in another examination conducted by the commissioner during the same year.

C.S.H.B. 2142 makes documentation provided to the commissioner by an HMO during an examination confidential and exempt from disclosure as public information under state public information law. The bill requires an HMO to pay a fee to the commissioner for expenses incurred in relation to the examination.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

While C.S.H.B. 2142 may differ from the original in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

While the substitute retains the original's requirement for the commissioner to examine an HMO and an insurer to determine compliance with applicable preauthorization requirements, the substitute changes the purpose of the examination to determining compliance with applicable requirements related to utilization review, including those preauthorization requirements, and defines "utilization review" by reference.

The substitute includes provisions absent from the original that exempt an HMO and an insurer from examination if the commissioner has examined or will examine the HMO or insurer to determine compliance with the applicable utilization review requirements in another examination conducted by the commissioner during the same year.