By: Oliverson H.B. No. 4531

A BILL TO BE ENTITLED

AN ACT

relating to preauthorization of medical care or health care services by certain health benefit plan issuers.

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

SECTION 1. Section 843.348, Insurance Code, is amended by amending Subsections (a) and (g) and adding Subsection (g-1) to read as follows:

(a) In this section:

(1) "Preauthorization" [~~, "precauthorization"~~] means a determination by a health maintenance organization that health care services proposed to be provided to a patient are medically necessary and appropriate.

(2) "Verification" has the meaning assigned by Section 843.347.

(g) Notwithstanding Section 843.347, if [~~If~~] the health maintenance organization has preauthorized health care services, the health maintenance organization may not deny or reduce payment to the physician or provider for those services based on:

(1) medical necessity or appropriateness of care unless the physician or provider has materially misrepresented the proposed health care services or has substantially failed to perform the proposed health care services;

(2) an eligibility or coverage determination if the proposed health care services are provided to the enrollee before

the 31st day after the date the physician or provider received the determination that the health care services were preauthorized unless the physician or provider has materially misrepresented the proposed health care services or has substantially failed to perform the proposed health care services;

(3) the fact that a physician or provider did not request or obtain or was not provided a verification from the health maintenance organization; or

(4) the health maintenance organization declining or failing to determine an enrollee's eligibility or make coverage determinations in the time frame required for the issuance of a preauthorization determination.

(g-1) If a health maintenance organization determines that a health care service is preauthorized, the health maintenance organization shall specify any deductibles, copayments, or coinsurance for which the enrollee is responsible in its determination.

SECTION 2. Section 1301.135, Insurance Code, is amended by amending Subsection (f) and adding Subsections (f-1) and (i) to read as follows:

(f) Notwithstanding Section 1301.133, if [~~If~~] an insurer has preauthorized medical care or health care services, the insurer may not deny or reduce payment to the physician or health care provider for those services based on:

(1) medical necessity or appropriateness of care unless the physician or provider has materially misrepresented the proposed medical or health care services or has substantially

failed to perform the proposed medical or health care services;

(2) an eligibility or coverage determination if the proposed medical care or health care services are provided to the insured before the 31st day after the date the physician or provider received the determination that the medical care or health care services were preauthorized unless the physician or provider has materially misrepresented the proposed medical care or health care services or has substantially failed to perform the proposed medical care or health care services;

(3) the fact that a physician or provider did not request or obtain or was not provided a verification from the insurer; or

(4) the insurer declining or failing to determine an insured's eligibility or make coverage determinations in the time frame required for the issuance of a preauthorization determination.

(f-1) If an insurer determines that a medical care or health care service is preauthorized, the insurer shall specify any deductibles, copayments, or coinsurance for which the insured is responsible in its determination.

(i) In this section, "verification" has the meaning assigned by Section 1301.133.

SECTION 3. The change in law made by this Act applies only to a health benefit plan that is delivered, issued for delivery, or renewed on or after January 1, 2022. A health benefit plan that is delivered, issued for delivery, or renewed before January 1, 2022, is governed by the law as it existed immediately before the

effective date of this Act, and that law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2021.